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A Study on Strategic Human Resource Management and Organizational Performance of Commercial Banks in Chennai

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Abstract
The study initiated to measure the strategic human resource management and organizational performance of commercial banks in Chennai. The study considered the employees working in various commercial banks are considered. Totally, 400 samples are collected from employees. Results shows that the gender, age, educational qualifications, experience, salary levels, and nature of work show significant associations with job performance, it supports the importance of an inclusive and diverse workforce. It also shows that strategic human resource management practices such as talent acquisition, training and development, performance management, compensation, and technology integration positively influence employee productivity and organizational outcomes. Diversity and inclusion, recruitment and selection prove to be the most impactful strategic human resource management factor. Training initiatives enhance adaptability and innovation, while systematic performance appraisals develop accountability. Competitive compensation structures and engagement strategies promote employee loyalty and satisfaction. Technology usage streamlines human resource processes and decision-making. It was concluded that the significance of integrating strategic human resource management practices to build a motivated, productive workforce and drive sustainable organizational success.
Key Words: *Strategic Human Resource Management, Organizational Performance, Commercial Banks, Employees and Job Performance.*

1. INTRODUCTION

Strategic human resource management has emerged as an important element in enhancing organizational performance across various sectors, including commercial banking. As banks operate in a dynamic and highly competitive environment, their ability to adapt to evolving challenges is linked to the effectiveness of their human resource practices. Strategic human resource management goes beyond traditional human resource management by matching its strategies with organizational goals, creates a workforce capable of achieving sustainable competitive advantage. It is true, where employee performance directly impacts service quality, customer satisfaction, and operational efficiency. Commercial banks serve economic development through credit distribution, risk management, and financial intermediation. However, the banking industry is experienced rapid changes driven by technological advancements, regulatory reforms, and evolving customer expectations. Amidst these transformations, the role of strategic human resource management has become increasingly effective that banks can attract, retain, and develop a skilled workforce capable of directing these complexities. It confirms talent acquisition, employee training, performance management, and developing a culture of innovation and adaptability, all of which contribute to the overall organizational performance.

Commercial banks have faced several challenges, it consists of intense competition, the rise of financial technology companies, and heightened regulatory scrutiny. These challenges have forced the need for strategic practices that can remove workforce-related issues, such as skill gaps, employee engagement, and productivity enhancement. The integration of strategic human resource management, banks can solve these issues and also capitalize on opportunities to strengthen their market position. Effective recruitment and selection processes ensure that banks hire individuals who support with their strategic vision. Training and development programs equip employees with the skills needed to meet emerging demands, while strong performance management systems ensure that individual and organizational goals remain associated. Additionally, equitable compensation structures and employee engagement initiatives contribute to workforce stability and motivation, enabling banks to achieve long-term success. The intangible nature of banking services places a premium on employee-customer interactions, making employee competencies a main driver of customer satisfaction and loyalty. Strategic human resource practices, such as diversity and inclusion initiatives, leadership development programs, and technology integration, further enhance the capability of banks to respond to market demands effectively. The study contributes to the growing body of knowledge on strategic human resource management, make practical recommendations to improve human resource practices and develop organizational excellence in the banking sector.

Commercial Banks: Commercial banks provide essential services such as accepting deposits, granting loans, and offering financial products to individuals, businesses, and governments. These banks help capital flow between savers and borrowers. They operate under a profit-driven model, earning revenue primarily through interest margins and service fees. In addition to traditional banking functions, commercial banks also offer a wide range of financial services, including credit card issuance, wealth management, and international trade finance. Technological advancements have revolutionized banking operations, enabling online banking, mobile applications, and digital payment systems that enhance customer convenience and accessibility. Despite these innovations, the banking sector remains competitive, requiring commercial banks to focus on operational efficiency, customer satisfaction, and regulatory compliance. Commercial banks are also subject to stringent regulatory frameworks to ensure financial stability and protect depositors' interests. Challenges such as rising non-performing assets, increasing competition, and evolving customer expectations have emphasized the need for effective strategies.

Strategic Human Resource Management: It is a forward-looking approach that integrates human resource practices with an organization's long-term goals to achieve optimal performance. Unlike traditional human resource management, which focuses on administrative functions, strategic human resource management emphasizes matched with workforce strategies with business objectives, ensuring that employees contribute effectively to organizational success. Its scope includes talent acquisition, performance management, training and development, compensation strategies, and employee engagement initiatives. These elements are strategically designed to build a skilled, motivated, and adaptable workforce capable of responding to dynamic business challenges. In the modern era, it also incorporates technology-driven solutions such as human resource analytics, AI-powered recruitment, and digital learning platforms, which enhance efficiency and decision-making. Strategic human resource management is particularly effective in industries that rely on skilled human capital, such as banking, healthcare, and information technology. It also acts as a catalyst for improved organizational performance, driving productivity, innovation, and sustainable growth across sectors.

Organizational Performance: It refers to the effectiveness with which an organization achieves its goals and objectives, encompassing financial outcomes, operational efficiency, and stakeholder satisfaction. It is a multi-dimensional concept measured through key performance indicators such as profitability, market share, customer satisfaction, and employee productivity. In the context of commercial banks, organizational performance is significantly influenced by employee competencies, customer service quality, and strategic decision-making. Effective leadership, a clear vision, and alignment of resources with business goals are essential for sustained performance. Moreover, the ability to adapt to external changes such as regulatory reforms, technological advancements, and market dynamics is an essential determinant of success. Practices like effective recruitment, comprehensive training, and robust performance management systems contribute to a skilled and motivated workforce. Technological adoption, such as the use of analytics and automation, further improves operational efficiency and decision-making capabilities. Continuous monitoring and improvement are vital to maintaining organizational performance.

2. Problem Statement

Commercial banks operate in a highly competitive environment, requires continuous improvement in efficiency and service delivery. Human resources serve as an important asset in confirming organizational success, yet banks face challenges in matching human resource practices with strategic objectives. Recruitment and selection processes often lack the precision required to match organizational needs with talent capabilities. Training and development programs, while necessary, are frequently inconsistent or fail to disclose growing market dynamics. Performance management systems often emphasize routine evaluations rather than developing employee motivation and connected with business goals. Compensation and benefits structures, essential for employee satisfaction, frequently fail to balance fairness with competitiveness, leads to talent attrition. Similarly, engagement and retention strategies often lack innovation, leaving employees disengaged and reducing organizational loyalty. Furthermore, the integration of technology in human resource practices remains suboptimal, limits the potential for process automation, predictive analytics, and data-driven decision-making. The study investigates how strategic human resource management practices influence organizational performance, it offers ways to make strong human resource framework that aligns employee potential with institutional goals to ensure sustained growth in a dynamic financial sector.

3. Need for the Study

The growing competition in the banking sector in Chennai has amplified the importance of effective human resource management as a driver of organizational performance. The sector's reliance on human capital stresses the necessity of strategic human resource practices that align employee capabilities with institutional objectives. Recruitment and selection processes must evolve to attract talent capable of directing a rapidly changing financial environment. Training and development initiatives should prioritize continuous learning and skill enhancement to ensure employees remain agile in adapting to industry demands. Performance management systems need to transition from traditional evaluations to dynamic frameworks that motivate employees and reinforce accountability. Compensation structures require recalibration to maintain equity and competitiveness, developing trust and retention among employees. Engagement and retention strategies, encompassing workplace culture, career development, and work-life balance measures, are essential for building a motivated and loyal workforce. The study equips banks with actionable insights to optimize human resource activities. The findings will enable banks to create cohesive, productive work environments, ensuring sustained growth, employee satisfaction, and competitiveness in a demanding financial sector.

4. Review of Literature

Strategic human resource management delivers main task in raising innovation and adaptability within banks. As the industry endures digital transformation, the adoption of technology-driven human resource solutions has become imperative (Pauline et al., 2024). Banks are increasingly using human resource analytics, AI-driven recruitment platforms, and e-learning tools to streamline human resource processes and enhance decision-making (Shrestha and Prajapati, 2023). These advancements not only improve efficiency but also enable banks to create a future-ready workforce capable of thriving in a rapidly changing environment. Despite its significance, the implementation of strategic human resource management in commercial banks is not without challenges (Aktar, 2023). Resistance to change, limited resources, and misalignment between human resource strategies and business objectives can hinder the effectiveness of strategic human resource management initiatives. However, elimination of these challenges through strategic planning and continuous improvement, banks can unlock the full potential of their human capital (Ghalawat et al., 2023). It examines the socio-economic profile of employees, evaluates the association between socio-economic factors and job performance, identifies determinants of strategic human resource management practices, and investigates their collective effect on organizational performance (Alolayyan et al., 2021).

The strategic human resource management practices undermine the banks' ability to achieve their performance objectives. As commercial banks face increasing customer expectations and market challenges, their human resource strategies must adapt to develop employee efficiency, and satisfaction with organizational goals (Parajuli and Shrestha, 2021). Exploration of the effectiveness of strategic human resource management practices in enhancing organizational performance and recognizing areas requiring strategic focus are essential to tackle these challenges (Patel et al., 2023). Additionally, boosting technology for process optimization and predictive analytics can transform human resource operations, also enhances decision-making and overall efficiency. The strategic human resource management practices are needed in commercial banks (Zainuddin et al., 2014). It provides a comprehensive analysis of how these practices contribute to organizational performance, recognize gaps and opportunities for improvement. Strategic human resource management develops a culture of innovation, collaboration, and continuous improvement, enabling organizations to adapt to market changes and technological advancements (Biswakarma and Pokhrel, 2020). A focus on workforce planning, leadership development, and succession planning, it ensures organizational resilience and long-term competitiveness (Shrestha and Prajapati, 2023).

5. Research Objectives

The study commenced with the following objectives.

1. To analyze the socio-economic profile of employees working in commercial banks in Chennai.
2. To measure the association between socio-economic profile and job performance.
3. To examine the determinants of strategic human resource management practices in banks.
4. To investigate the effect of strategic human resource management on organizational performance.

6. Research Methodology

The methodology includes a combination of descriptive and analytical approaches to confirm a detailed understanding of the subject matter. The research adopts a descriptive design to analyze the socio-economic profile of employees and their impact on job performance. It also employs an analytical approach to investigate the determinants of strategic human resource practices and their influence on organizational performance. Primary data is collected through structured questionnaires distributed among employees of commercial banks in Chennai. The questionnaire consists of closed-ended questions focusing on socio-economic characteristics, job performance, human resource practices, and organizational performance metrics. Secondary data is gathered from bank reports, human resource policy documents, industry reports, and academic literature to support and validate the findings. The study employed a simple random sampling method to ensure representation across various hierarchical levels and departments within the banks. A sample size of 400 employees is considered for analysis. The study used percentage analysis, chi-square test, correlation, regression analysis, and factor analysis to analyze the data. The methodology ensures the study to fulfils its objectives effectively while providing actionable recommendations for improve human resource practices and to improve bank performance.

7. RESULTS AND DISCUSSIONS

7.1. Analysis of Socio-Economic Profile

The socio-economic profile of employees working in commercial banks is analyzed as per the age, gender, educational qualification, experience, monthly salary, and nature of work of employees. The association between these socio-economic factors and job performance is tested using Pearson's chi-square test with a hypothesis. The null hypothesis (H_0) states that there is no significant association between the socio-economic profile of employees and their job performance. The results are summarized in Table-1.

Table 1: Analysis of Socio-Economic Profile

Socio-Economic Profile	Variables	Percentage	Pearson Chi-Square		
			Value	**df**	**Sig.**
Gender	Male	56.75%	10.347	1	0.000
	Female	43.25%			
Age	Less than 30 years	10.00%	18.465	3	0.000
	30 – 40 years	35.25%			
	41 – 50 years	33.25%			
	Above 50 years	21.50%			
Educational Qualification	Degree	26.25%	25.768	3	0.000
	Postgraduate	40.25%			
	Professional	18.50%			
	Additional degree	15.00%			

Experience	Less than 5 years	15.00%	28.492	2	0.000
	5–10 years	44.50%			
	More than 10 years	40.50%			
Monthly Salary	Less than Rs.50,000	51.50%	14.732	2	0.000
	Rs.50,000 – 1,00,000	35.75%			
	More than Rs.1,00,000	12.75%			
Nature of Work	Front office	44.50%	17.654	2	0.000
	Back office	38.75%			
	Managerial position	16.75%			

Source: Primary Data

Table-1 shows that male employees form the majority 56.75%, with female accounts for 43.25%. The chi-square (10.347; $p<0.000$) is significant and it proves that gender has significant association with job performance. The employees with age group of 30 – 40 years constitute 35.25%, it is followed by 33.25% between 41 – 50 years, 21.50% in above 50 years and 10% in below 25 years. The chi-square (18.465; $p<0.000$) is significant and it proves that age has significant association with job performance. Educational qualification shows that 40.25% are qualified with postgraduates, 26.25% are qualified with degrees, 18.50% have completed professional qualifications, and 15% possess additional qualifications. The chi-square (25.768; $p<0.000$) is significant and it proves that educational qualification has significant association with job performance. Experience shows that employees with 5 – 10 years of experience account for 44.50%, it is followed by 40.50% of more than 10 years' experience. The chi-square (28.492; $p<0.000$) is significant and it proves that experience has significant association with job performance. Monthly salary discloses that employees with less than Rs.50,000 accounts for 51.50%, it is followed by 35.75% of employees with Rs.50,000 – 1,00,000. The chi-square value (14.732; $p<0.000$) is significant and it proves that monthly salary has significant association with job performance. Nature of work shows that front office employees constitute 44.50%, while 38.75% work in back office roles, and 16.75% hold managerial positions. The chi-square value (17.654; $p<0.000$) is significant and it proves that nature of work has significant association with job performance. The calculated chi-square values for all variables are greater than the essential value at a 1% significance level. Hence, the null hypothesis is rejected, it confirms that socio-economic profile has significant influence on job performance among employees in commercial banks.

7.2. Determinants of Strategic HRM Practices in Banks

Strategic human resource management practices in banks are determined by various factors linked to employee performance, organizational goals, and operational strategies. Correlation analysis are adhered to examine the association between these variables and employee productivity, with productivity being the dependent variable. The independent variables include Talent Acquisition (TA), Employee Training (ET), Performance Management (PM), Compensation Structure (CS), Workforce Planning (WP), Leadership Development (LD), Diversity and Inclusion (DI), Employee Engagement (EE), Succession Planning (SP), HR Technology Integration (HT), Compliance Frameworks (CF), and Change Management (CM). Correlation results are presented in Table-2.

Table 2: Correlation Analysis

Determinants	**r**	**r^2**
Talent acquisition	0.325*	0.106
Employee training	0.365*	0.133
Performance management	0.248*	0.062
Compensation structure	0.092	0.008
Workforce planning	0.223*	0.050
Leadership development	0.312*	0.097
Diversity and inclusion	0.484*	0.234

Employee engagement	0.138	0.019
Succession planning	0.027	0.001
HR technology integration	0.238*	0.057
Compliance frameworks	0.315*	0.099
Change management	0.355*	0.126

Source: Primary Data

**Significant at 1% level*

Table-2 shows a positive correlation between talent acquisition and employee productivity, it reveals that effective acquisition practices improve productivity. The coefficient of determination (r^2) indicates that talent acquisition accounts for 10.6% of variation in productivity. Similarly, employee training (13.3%), compliance frameworks (9.9%), and change management (12.6%) also positively contribute to productivity. Diversity and inclusion have the highest positive correlation (23.4%) with productivity, underscoring its significant role in strategic human resource management. The determinants such as leadership development (9.7%), human resource technology integration (5.7%), and workforce planning (5.0%) demonstrate moderate influence. On the other hand, compensation structure (0.8%) and succession planning (0.1%) have relatively lower impacts on productivity. To analyze the determinants of employee productivity in banks, a regression analysis is performed to examine the impact of strategic human resource management practices on productivity. The model specification is provided as follows.

$$EP = a + b_1TA + b_2ET + b_3PM + b_4CS + b_5WP + b_6LD + b_7DI + b_8EE + b_9SP + b_{10}HT + b_{11}CF + b_{12}CM + e$$

Where,

EP = Employee productivity,

a = Intercept Term,

$b_1 \ldots b_{12}$ = Regression Coefficients for SHRM variables,

e = Error Term

Employee productivity is assumed as dependent variable and strategic human resource management variables are assumed as independent variables. The results of the multiple regression analysis are presented in Table-3.

Table 3: Multiple Regression Analysis

Determinants	**Coefficient**	**SE**	**t statistics**
Constant	8.725	0.648	2.112
Talent acquisition	1.512*	0.543	6.784
Employee training	0.034*	0.017	5.123
Performance management	-0.092	0.051	-1.804
Compensation structure	-0.238	0.276	-0.863
Workforce planning	2.312*	0.567	5.078
Leadership development	0.452*	0.089	6.143
Diversity and inclusion	5.132*	0.703	7.297
Employee engagement	0.798	0.345	2.313
Succession planning	-0.178	0.091	-1.956
HR technology integration	0.209*	0.038	5.474
Compliance frameworks	3.671*	0.569	6.450
Change management	1.677*	0.456	7.678
R = 0.5284			
R^2 = 0.2793			
Adjusted R^2 = 0.2685			
Standard Error = 0.6129			

Source: Primary Data

**Significant at 1% level*

Table 3 depicts the factors determining employee productivity in banks. The variables such as talent acquisition, employee training, workforce planning, leadership development, diversity and inclusion, human resource technology integration, compliance frameworks, and change management are significant at the 1% level. Talent acquisition, employee training, workforce planning, leadership development, diversity and inclusion, human resource technology integration, compliance frameworks, and change management have positive influence on employee productivity. The diversity and inclusion have the strongest positive effect on employee productivity due to strategic human resource management practices (5.132 regression coefficient). Performance management, compensation structure, and succession planning have negative influence on employee productivity due to strategic human resource management practices. The result indicates that these areas need higher level of strategic attention to minimize adverse effects. The model explains 27.93% of the variation in employee productivity, and the adjusted R^2 of 26.85% proves a good fit for strategic human resource management practices in banks.

7.3. Effect of Strategic Human Resource Practices on Organizational Performance

The internal consistency of the instrument is tested through reliability analysis. It discloses the strength of the variables and examines the degree of their interrelationship. The Cronbach's alpha reliability estimates for the factors indicate high internal consistency, as follows: recruitment and selection (0.824), training and development (0.796), performance management (0.765), compensation and benefits (0.719), engagement and retention (0.732), and technology usage (0.758). It proves a strong degree of reliability, which affirms the credibility of the factors in measuring strategic human resource practices effectively. In order to assess the effect of strategic human resource management practices on organizational performance, factor analysis is conducted. The validity of the data is confirmed using the Kaiser-Meyer-Olkin measure of sampling adequacy and Bartlett's Test of Sphericity. A KMO value of 0.879 and the 1% significance level of Chi-square validate the appropriateness of the data for factor analysis.

Table 4: Factor Analysis

Factors (Factorial Mean)	Components	Factor Loadings	Eigen Value	% of Variance
Recruitment and Selection (2.96)	Competency-based hiring processes	0.852	9.844	23.035%
	Emphasis on internal recruitment	0.795		
	External recruitment channels	0.783		
	Standardized interview processes	0.818		
	Execution of pre-employment tests	0.743		
	AI-driven recruitment analytics	0.732		
	Recruitment as per job needs	0.812		
	Diversity and inclusion in hiring	0.792		
Training and Development (2.80)	Frequency of skill enhancement	0.829	7.729	17.892%
	E-learning platforms for training	0.864		
	Emphasis on leadership development	0.781		
	On-the-job training opportunities	0.786		
	Personalized development plans	0.805		
	Effectiveness of training	0.769		
	Employee certifications and education	0.832		
Performance Management (2.77)	Performance appraisals and feedback	0.832	5.275	13.674%
	KPI-based performance evaluation	0.745		
	Performance as per organizational goals	0.752		
	Employee involvement in goal-setting	0.813		
	360-degree feedback mechanisms	0.778		
	Recognition and rewards	0.783		

Compensation and Benefits (2.68)	Competitive salary structures Non-monetary benefits Incentives based on performance Long-term benefits Equity and fairness in compensation	0.821 0.814 0.775 0.764 0.787	4.214	9.792%
Engagement and Retention (2.52)	Initiatives for workplace culture Regular employee satisfaction surveys Career growth and promotions Work-life balance programs	0.786 0.784 0.783 0.780	3.689	6.735%
Technology Usage (2.34)	Software for process automation Predictive analytics for workforce planning Real-time monitoring	0.779 0.782 0.682	2.657	4.216%

Source: Primary Data

Table 4 reveals that recruitment and selection emerges as the most significant contributor, with the highest Eigen value of 9.844, accounts for 23.035% of the variance. It indicates the importance of making recruitment strategies with organizational goals and emphasizes the use of modern, data-driven methods such as AI-based recruitment analytics. Competency-based hiring, diversity and inclusion, standardized interviews, and the effective use of both internal and external recruitment channels are required effective recruitment. Training and development is the second most impactful factor with an Eigen value of 7.729 and explains 17.892% of the variance, it shows the essential role of continuous employee growth initiatives. The focus on e-learning platforms, leadership development programs, on-the-job training, and personalized development plans reflects the organization's commitment to skill enhancement and employee empowerment, and certified education and training aspects improve organizational adaptability and innovation. Certification programs and structured training evaluations further ensure that employees are equipped to meet evolving business needs. Performance management shows an Eigen value of 5.275, contributes to 13.674% of the variance, performance management is an important factor in maintenance of bank's efficiency. The emphasis on systematic performance appraisals, KPI-based evaluations, and employee participation in goal-setting, 360-degree feedback and recognition programs encourage transparency and accountability while motivating employees to excel.

The compensation and benefits accounts for 9.792% of the variance, with an Eigen value of 4.214, reflects the impact of equitable and competitive compensation structures on organizational performance. The inclusion of performance-based incentives, long-term benefits, and non-monetary rewards, equity and fairness in compensation practices, support to build trust and loyalty among employees, which, in turn, contribute effectively to organizational success. Engagement and retention with an Eigen value of 3.689, accounts for 6.735% of the variance. Initiatives such as workplace culture enhancement, regular satisfaction surveys, career advancement programs, and work-life balance measures contribute to higher employee satisfaction and reduced attrition. Technology usage accounts for 4.216% with an Eigen value of 2.657, technology usage remains a main enabler of strategic human resource practices. The use of software for process automation, predictive analytics for workforce planning, and real-time monitoring optimizes human resource processes and decision-making. Collectively, the six factors explain 75.344% of the total variance, specifies their substantial influence on organizational performance. Recruitment and selection, being the most impactful, serves as the foundation for acquiring talent matched with the vision of commercial banks. Training and development ensure that employees are continuously equipped to face new challenges, while performance management aligns individual efforts with strategic objectives. Compensation and benefits, along with engagement and retention, reveal employee satisfaction and loyalty, confirms a stable and motivated workforce. Finally, technology usage acts as organizer, enables the seamless execution of human resource practices.

To evaluate the influence of six factors identified in the factor analysis, a multiple linear regression analysis is conducted to assess the effect of strategic human resource management practices on organizational performance. The six factors are treated as independent variables, while organizational performance is the dependent variable. The results are summarized in Table-5 below.

Table 5: Multiple Regression Analysis

Independent Variables	Dependent Variable	Un-standardized coefficients		Beta coefficients	t value	Sig.
		Beta	Std. Error			
Constant	Organizational Performance	-0.735	0.502		-1.464	0.002
Recruitment and Selection		0.398	0.058	0.438	9.872*	0.000
Training and Development		0.247	0.071	0.187	6.132*	0.000
Performance Management		0.234	0.077	0.169	6.854*	0.000
Compensation and Benefits		0.192	0.048	0.102	7.452*	0.000
Engagement and Retention		0.164	0.057	0.127	5.674*	0.000
Technology Usage		0.129	0.040	0.136	8.534*	0.000
R	0.822					
R^2	0.676					
Adjusted R^2	0.602					
F Value	31.892@					

Source: Primary Data

Table 5 shows that all six independent variables recruitment and selection, training and development, performance management, compensation and benefits, engagement and retention, and technology usage have positive influence organizational performance. The value of $R^2 = 0.676$ and adjusted $R^2 = 0.602$ indicates that 67.6% of the variance in organizational performance is explained by these six factors. The high value of F = 31.892 confirms the overall significance of the model at a 1% level, indicating that the regression equation fits the data well. Recruitment and selection has the highest beta coefficient (0.438) and a statistically significant t-value of 9.872 at the 1% level. Training and development, with a beta coefficient of 0.187 and a t-value of 6.132, ranks as the second most influential factor. Performance management is the third most significant factor, with a beta coefficient of 0.169 and a t-value of 6.854, shows the value of systematic appraisal systems and performance associated with business goals of banks. Compensation and benefits, engagement and retention, and technology also exhibit significant beta coefficients of 0.102, 0.127, and 0.136, respectively, with corresponding t-values of 7.452, 5.674, and 8.534, all significant at the 1% level. It confirms that strategic human resource management practices collectively have a significant and positive impact on organizational performance. Recruitment and selection deliver main role, while training and development and performance management drive employee efficiency associated with business purposes of banks. Compensation practices and employee engagement further strengthen workforce stability and motivation, while technology usage acts as an originator for process efficiency and innovation.

8. CONCLUSION

The results reveal that socio-economic factors and strategic human resource management practices significantly influence job performance and organizational success. Gender diversity, age distribution, educational qualifications, professional experience, salary levels, and job roles directly affect employee performance. The socio-economic dimensions indicate the need for inclusive workplace policies and equitable opportunities to ensure optimal employee contributions. Amongst strategic human resource management practices, recruitment and selection emerge as the most influential, emphasizing the importance of aligning talent acquisition strategies with organizational goals. Use of modern methods, such as competency-based hiring and data-driven analytics, ensures the selection of candidates who can adapt to dynamic business challenges. Training and development deliver a main role in enhancing employee skills, promotes innovation, and improving adaptability. Structured programs such as leadership development and e-learning platforms empower employees while indicating evolving business needs.

Performance management practices, including systematic appraisals and goal-setting frameworks, develop transparency, accountability, and motivation among employees. Equitable compensation structures, integrating both monetary and non-monetary rewards, significantly contribute to employee satisfaction and loyalty. Engagement and retention strategies further strengthen workforce stability through initiatives like workplace culture enhancement and career advancement opportunities. Technology acts as a transformative enabler, streamlines human resource processes and improving decision-making efficiency. It supports strategic planning through predictive analytics and process automation, ensuring seamless execution of human resource practices. Together, these strategic human resource management dimensions positively impact banks performance, driving efficiency, employee satisfaction, and long-term sustainability. Organizations must prioritize the integration of effective strategic human resource management practices to build a cohesive and productive workforce. Use of effective and innovative human resource strategies, commercial banks can ensure competitive advantage in an ever-evolving market landscape. Therefore, findings reveal the necessity of strategic focus on human resource practices to align employee potential with business motive of bank for sustained growth and success.

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