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Perceived HR Efficiency and Effectiveness in Indian Commercial Banks: A Qualitative Measurement

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Abstract

Objectives: The study aims to measure the efficiency of HR Practices and their effectiveness in public and private banks.

Methodology/ Approach: The study followed the descriptive research approach with single measures of HR efficiency and nine subjective measurement of HR effectiveness namely change management, workforce diversity, gender discrimination, corporate social responsibility, realistic financial objectives, employee engagement and talent retention for achieving organizational excellence. Data have been collected through semi-structured questionnaire consists of 360 respondents (240 from Allahabad Bank and 120 from Axis bank) with the stratified random sampling technique. Statistical inference based on two different layers of statistics. Initially, for assessing the normality of data, the Kolmogorov-Smirnov test (KS-Test)/ Shapiro-Wilk test and finally for mapping the differentiation, non-parametric measurement of Mann Whitney (U) test has been used.

Findings: The efficiency of HR practices of both the public (Allahabad bank) and private sector banks (Axis bank) are different as the Z value (Mann-Whitney) is -3.257 with a significance level of p=.001 which is less than 0.05. Axis bank shows (Mean Rank=200.92) the higher efficiency score as compared to Allahabad bank (mean rank=170.29). Furthermore, there is significant difference between public and private sector banks with regard to several HR effectiveness measures such as, change management (p=.000), workforce diversity (p=.020), gender discrimination policy (p=.000), corporate social responsibility (p=.000), employee engagement (p=.000) and talent retention (p=.001) except realistic financial objectives (p=.128). Overall, public sector bank (Allahabad bank) scores the highest mean rank of HR effectiveness than private sector bank (Axis Bank).

Conclusions & Practical Implications: Over the years there have been many different models for measuring organizational effectiveness namely the goal approach, the system resource approach, the process approach and the strategic constituency approach and the Competing Values Framework (CVF) approach. In presence of quantitative HR effectiveness measurement namely, ROI, human capital metrics, HR balance scorecard and HRA etc., the study has approached the qualitative criteria of HR effectiveness in public and private sector banks. The study believes HR effectiveness is the foremost antecedents of organizational effectiveness and excellence.

Keywords: Efficiency, Effectiveness, HR Practices, Organizational Effectiveness, Subjective HR Effectiveness, Indian Banks.

JEL Code: G21, L33, and G41

Introduction

Motivation of the Study

In the age of knowledge economy, human resource (HR) is considered as the most important resource of the organizations and it became decisive for success of any organization (Moyeen&Huq, 2001; Schuler, 1990; Werther& Davis, 1996).Employees are primary source of competitive advantage in service oriented organization (Pfeffer, 1994). The banking sector globally has been facing unprecedented challenges with the wave of privatization and globalization (Aldaibat & Irtaimeh, 2012). In the current environment, the key focus areas of bank are lowering cost of funds, faster rollout of products achieving financial inclusion and priority sector lending targets in a profitable manner, compliance with various national and global regulatory norms and increased customer satisfaction (Deoras & Dasgupta, CII-KMPG Report, 2013). Chakrabarty (2012) at the HR conference of public sector banks emphasized on the efficient and effective HR systems. According to him, there will be an overall improvement in efficient management of banks, if the banks' HR practices are augmented and optimized. An effective human resource management practices can be the main factor for the success of a firm (Stavrou-Costea, 2005). As supported by empirical study conducted by Lee and Lee (2007) which reveals that HRM practices, namely training and development, teamwork, compensation/incentive, HR planning, performance appraisal, and employee security help improve firms' business performance including employee's productivity, product quality and firm's flexibility. Das (1993) has pointed out the important implications of HRM such as fast changing technology and the people's readiness to accept technological changes. Technological innovations lead to restructuring of organization, operation and culture, changing profile of employees' demography, equal rights movement, phenomenon of knowledge workers, brawn to brain and under employment. Agarwal (2002) in her study focused on identifying key employee and organizational outcomes that were likely influenced by innovative human resource practices. It becomes imperative to modify various routine activities for the development of manpower. In their research study, Kane et al. (1999) concludes that the HRM effectiveness can be achieved by both soft and hard approaches. Several barriers to HRM take-up were identified and there was little evidence that organizations generally operated HRM policies and practices that were seen as effective.

The effective use of people is the most critical factor in the successful accomplishment of corporate goals. To be effective, therefore, Human Resource managers need to understand the needs, aspirations, and concerns of employees proactively, face the challenges head-on and resolve issues amicably (Burma, 2014). Some researchers have proposed that evaluations of effectiveness should be based on financial measures (e.g., profit) and for years, human resources issues have been secondary to such measures. Today, many CEOs agree that profit alone is not enough to hold the enthusiasm and loyalties of employees or to call attention to the vital elements of a business that must receive attention if it is to perform effectively (Watson, 1991 as cited in Zellars & Fiorito, 1999). Under the threat of exit (Hill & Jones, 1992), organizations now recognize that they must fulfil responsibilities to many constituencies (Baumhart, 1968; Clarkson, 1991 as cited in Zellars & Fiorito, 1999), including employees. The effectiveness of HRM practices depends on how it engenders the appropriate attitudes and behaviors in employees, in addition to its implementation (Acquaah, 2004). Authors who deal with HRM effectiveness state that HR managers are increasingly playing an integral role in strategy implementation (Becker &Huselid, 2006) and are to be regarded as facilitators in formulating strategy that contributes to firm performance (Paauwe, 2004, 2009).

Literature Gap

Efficiency and effectiveness are the central terms used in assessing and measuring the performance of organizations (Mouzas, 2006). Drucker (1977) distinguished efficiency and effectiveness by associating efficiency to "doing things right" and effectiveness to "doing the right things". Effectiveness is the extent to which the policy objectives of an organization are achieved (Achabal et al., 1984; Asmild et al., 2007). Organizational effectiveness (OE) has been one of the most extensively researched issues since the early development of organizational theory (Rojas, 2000). Several models have been developed to capture the richness of the organizational effectiveness Construct. Initially focused on the achievement of goals (goal models), the OE models gradually considered the resources and processes necessary to attain those goals (system models), the powerful constituencies gravitating around the organization (strategic-constituencies model), the values on which the evaluation of effectiveness are grounded (competing values model) and the absence of ineffectiveness factors as a source of effectiveness (ineffectiveness model). According to Kushner and Poole (1996), the performance of an organization may be modeled along four components: resource acquisitions, efficiency, goal attainment, and client satisfaction. Brooks (2002) believes that ignoring "any of these dimensions is to possess an incomplete understanding of the organization's performance". Efforts in this regard have led researchers to consider multiple criteria in studies of organizational performance (Cameron, 1986; Hitt, 1988). Most of the studies have been conducted on achieving organizational effectiveness mainly through financial parameters. While different authors have reviewed literature and identified different non-financial criteria of effectiveness such as productivity, quality, accidents, absenteeism, job satisfaction, motivation, flexibility and innovation. Wright et al. (2001) in their study conducted an empirical study on HR effectiveness in performing various roles and HR's effectiveness of its contributions. Speiser (2015) in his article mentioned three most important indicators for measuring HR effectiveness: Staff turnover, engagement and parting words. In a study of Phillips (2007) stated that today's HR professionals need a balanced set of measures and processes to show the value of the HR contribution. Measuring the return on investment (ROI) is emerging as a promising tool to provide convincing data about the contribution of specific human resources programs and processes (Phillips, Phillips & Stone, 2001). Besides the ROI approach, there is much other method that can be used to measure HR effectiveness. These methods are human capital metrics (Stepien, 2001), HR balanced scorecard (Becker, Huselid & Ulrich, 2002), management by objective (Phillips, 2009), HR case studies method (Phillips, Stone & Phillips, 2003), HR auditing (Phillips, 1999), HR cost monitoring (Phillips, Stone, Phillips, 2003), HR reputation (Phillips, 1999), HRA (Phillips, 1999), HR benchmarking (Bramham, 2004) and HR profit centers (Phillips, 1999). However, there is dearth of studies emphasizing on achieving organizational excellence through subjective HR measures in Indian commercial banks, which is the need of the hour. Moreover, no previous evaluation had been conducted on the effectiveness of the HR function. Therefore, the key is to assess the general effectiveness of the HR function from an internal customer's perspective. The study adopts HR effectiveness measures comprising seven components namely change management, workforce diversity, gender discrimination policy, corporate social responsibility, financial objectives, employee engagement and talent retention.

Objectives and Hypotheses: The study has two fold objectives firstly to measure the efficiency of HR Practices in Indian Banks and secondly, to differentiate the HR effectiveness in public and private banks. Accordingly two different hypotheses have been developed i.e., (I) there is no significant difference in between public and private banks with regard to HR efficiency and (II) HR effectiveness are not deviating in public and private banks.

Survey Procedures and Sample

The study is undertaken to assess the HR efficiency and effectiveness in Indian banks with special reference to Allahabad Bank (Public sector) and Axis Bank (Private sector) in Varanasi zone. For such purpose, a self structured questionnaire incorporating seven measures, namely, change management, workforce diversity, gender discrimination, corporate social responsibility, financial objectives, employee engagement and talent retention have been formulated and administered to managerial and non-managerial employees of respective banks. Likert Scale with no middle option (also called Force Choice Likert Scale) is used to indicate a degree of agreement or disagreement with each of the statement incorporated in the research instrument and Likert- 5 Point Rating Scale is used to measure the HR efficiency. Sample Size for a 95% confidence level when parameter is assumed to be over 70% or under 30%, when the population is 1000, then the sample for the study should be minimum 244 at 5% level of significance. Taking these criteria into account, the sample taken for the study is 360 (Zikmund, W. G., 2003). The distribution of samples have been made proportion- wise in the ratio of 2:1 for public and private sector banks and in the ratio of 1:2 for managerial and non- managerial employees. Therefore, 240 employees from Allahabad bank and 120 employees from Axis Bank have contributed their responses in this study.

Research Measures: HR effectiveness was assessed by partial measures of items generated by Wright, McMahan, Snell, and Gerhart (2001). Pfau and Kay (2002) also indicated that in most cases the HR function does not know when, where and how to start the transformation process. These items were used to evaluate line-manager and employee perceptions of HR effectiveness. It is the researcher's view that this is due to the absence of an integrated model that describes the dimensions of effectiveness for an HR function. The details of measures of HR effectiveness used in this study are described below:

a. Change Management: A primary difference between organizations that succeed and those that fail is the ability to respond to the pace of change (Ulrich, 1997). Gareth (2008) defines organisational change as the process by which organisations move from their present state to some desired future state to increase their effectiveness. Organisations change in response to many developments taking place in the internal and external environment such as technology, policies, laws, customer tests, fashions and choices that influence peoples' attitudes and behaviour. These developments influence different aspects of human resource management and in response, organisations have to change the way organisational structure, job design, recruitment, utilisation, development, reward and retention are managed (Hersay & Blanchard 1977; Robbins 1990; Johns 1996). Ever since the first round of the study in 1987 has been conducted to the last one in 2007, the HR competencies in change management have always been listed among those with the greatest impact on the overall HR effectiveness. In 1987 they are among the three competencies recognized as outstanding and are furthermore considered to be the most important predictor for HR effectiveness (Ulrich et al., 1995). In a study of Uzunova (2012) conducted an exploratory case study on HR Competency Model for Change Management to outline the HR competencies contributing to an increased HR effectiveness in change management. He concluded that HR needs to ensure successful management of incremental changes if they want to be successful when managing large-scale organizational changes.

b. Workforce Diversity: Carrell et al., (2006) defines workforce diversity as the ways that people differ which can affect a task or relationship within an organization such as age, gender, race, education, religion and culture. In a study of Milliken and Martins (1996) opined that diversity appears to be a double-edged sword, increasing the opportunity for creativity as well as the likelihood that group members will be dissatisfied and fail to identify with the group. The study of Jackson, Joshi, & Erhardt (2003); Webber & Donahue, (2001) found that various forms of diversity are associated with greater innovation, improved strategic decision making, and organizational performance. Other research shows that various types of team and organizational diversity sometimes increase conflict, reduce social cohesion, and increase employee turnover. The demographic trends in developed and developing countries-aging workforce, growing representation of women and minorities in the workplace, and the rising number of young people in developing countries has altered homogeneous work settings of the recent past (Mor-Barak, 2005; Gorski, 2002). In a study of Lau et al., (2000) in their researches concluded that diversity improves the quality of management's decisions, and provides innovative ideas and superior solutions to organizational problems. In addition to the full utilization of the skills and potential of all employees, managing diversity effectively can contribute to organizational success by enabling access to a changing marketplace by mirroring increasing diverse markets (Cox & Blake, 1991; Iles, 1995; Gardenswartz & Rowe, 1998) and improving corporate image (Kandola, 1995). Therefore, valuing diversity may become a source of competitive advantage, increase the quality of organizational life and ultimately be good for business (Cassell 1996).

c. Gender Discrimination: Gelfand, Nishii, Raver & Schneider (2007) in their study found that it has gradually become more evident to organizations that discrimination within organization is a serious and crucial dilemma that needs to be concentrated on. Females are treated unsymmetrical and unfairly which is evident by numerous studies which shows that at work place men are given privileged over women for hiring and promotion opportunities. By this way female skills are underutilized which lowers economic efficiency (Tianhu and Huang, 2010). In another study of Abbas, Athar, and Herani, (2010) recommended to all organizations whether services or manufacturing concern that the healthy work environment without gender discrimination ultimately increases the productivity of the employees as well as of an organization. There are several workplace barriers which women faces few of them are turnover, promotion barriers, lack of consistency, work stress, managing family responsibilities, job qualities, and work schedule flexibility and most importantly discrimination (Allen, Armstrong, Riemenschneider & Reid, 2006). Researches by Bravo, Sanhueza & Urzúa (2005) further provide evidence that in the Chilean labor market gender discrimination plays a critical role in determining the wages of work force. According to Qureshi, Zaman and Shah (2010) a known phenomenon in human resource management is the influence of rewards on employee performance and various studies states that rewards plays a significant role in increasing employee performance. Therefore, gender discrimination and employee performance are directly proportional and by implementation of proper gender discrimination policy within an organization help to attain increase employee performance, motivation and satisfaction (Abbas, Athar & Herani, 2010).

d. Corporate Social Responsibility: Human resource (HR) professionals in organizations that perceive successful corporate social responsibility (CSR) as a key driver of their financial performance can be influential in realizing on that objective. Employees prefer to work for organizations aligned with their values; thus, incorporating CSR into the employee brand can enhance recruitment and retention, particularly in tight labour markets (Strandberg, 2009). In a study of Sarin (2012) concludes that HR department is assumed to be the coordinator of CSR activities in getting the employment relationship right, which is a precondition for establishing effective relationships with external stakeholders. There are different working/research papers worldwide have investigated the relationships between HRM and CSR (Preuss et al., 2009; Kim & Scullion, 2011; Buciuniene & Kazlauskaite, 2012; Berber, 2013). Good relationships with the employees also enable the company to gain additional benefits, including improved public image, increase employee's morale and support from the community (Zappala & Cronin, 2002). Lockwood (2004) pointed out the current role of the HRM leadership, accompanied with the increasing importance of human capital as a factor of success for the organization, in the guidance and education of the CSR values and its adequate implementation to CSR strategies, policies and programs in the country and abroad. Aguilera et al (2007) conclude CSR requires the employees' ability to judge the social concerns of their managers and the quality of their relationship with them.

e. Realistic Financial Objectives: Mildred (2012) concludes that the major human resource management practices that affected the financial performance of commercial banks included human resource planning, recruitment and selection, reward management, training and development, career planning and employees relations. The study recommended that commercial banks should embrace strategic human resource planning programs that are linked with the overall banks strategy. HR outcomes (job performance and firm performance) may be significant when realistic and achievable financial objectives are targeted (Karan et al 2010). Research of Carmeli and Tischler's (2004) concludes that intangible human resource elements strongly predict the organizational performance outcomes in the public sector. Chen and Hsieh (2004) suggest that a system of extrinsic motivators can influence the success of an organization by job and firm performance. Porter (1985), Barney (1991), Huselid (1995), and Combs et al. (2006), in their studies hypothesized that there were unique and statistically significant relations between human resource inputs and processes, and job and firm performance. The study of Lado and Wilson, (1994) concludes that systems view of HR firm performance serves as a final outcome of an effective HR system.

f. Employee Engagement: Because no exact number of practices in the good HR practices „bundle" are agreed upon (Boxall and Macky, 2007, Delery, 1998; Becker and Huselid, 1997; MacDuffie, 1996; Thompson, 2000). The employee with strong identification with organizational values has higher engagement (Biswas and Bhatnagar, 2013). Successful application of newly acquired skills and knowledge enhances the reflective encouragement at work and engagement (Gatenby, 2009). Rewarding employees affects discretionary effort that affect discretionary effort of the employee (Konrad, 2006). Opportunities acts as main driver of engagement and research observed relation between the availability of opportunities and engagement (Truss et al. 2006; Robinson et al. 2004). Vance (2006) highlighted different HR practices including job design, recruitment, selection, training, compensation and performance management can enhance employee engagement. An engaged employee is conscious of business environment, and works with contemporaries to improve performance for the advantage of the organization. The organization must develop and cultivate engagement, which necessitates a two-way relationship between the employer and the employee (Robinson et al., 2004). Another study of Bhatia (2011), found that organizations had to give their employees the freedom to make their work exciting and provide an environment having an engaged work life. In a study of Swatee et al. (2012) identified key dimensions of organizational culture and communication which can shape employee engagement in bank.

g.Talent Retention: Buckingham (2006) looks at a talent as something that has to be valuable to the performance of the individual and an organisation. Employee turnover remains as one of the most widely researched topics in organizational analyses (Dalton and Todor, 1981).The reason for paying so much attention to the issue of turnover is because it has some significant implications on organizations (DeMicco & Giridharan, 1987; Dyke & Strick, 1990; Cantrell & Sarabakhsh, 1991; Denvir & McMahan, 1992). According to Abeysekera (2007), employee turnover is a major challenge for organizations but companies implementing effective human resource management practices can reduce the rate of employee turnover and increase in competitiveness due to the fact that by retaining staff an organization is able to keep its key asset. In a study of Rothwell & Kazanas (1993) recommend that organisations manage talents strategically by adopting a holistic approach. This will involve a process of linking business /organisational strategy with a clear talent management strategy. According to Lamba & Chaudhary (2013) human resource practices has a strong relation with organizational performance which results in making strong bond between knowledgeable or skilled employees and organization which helps in employees' retention.

h. HR Efficiency: Efficiency measures relationship between inputs and outputs or how successfully the inputs have been transformed into outputs (Low, 2000). In case of HR management practices should be an important part of the strategy of any large organization. Yet researchers basing their views on a behavioral psychology perspective have argued that human resource management practices could contribute to competitive advantage as long as they reinforce the skills, attitudes and behaviours that result in lowering costs and enhancing product differentiation. The important role of human resources practices in contributing to a firm's competitive advantage overlaps with the concept of efficiency as a human resources strategy for effective performance (Ozcelik & Ferman, 2006). The efficient HR practices combined with unions shall influence organizational efficiency (Hristos and Patrice, 2006). Banks in near future will have to address compensation issues, flexible work schedules, outsourcing and retaining talent. To face the challenge, bank requires enhanced skills, new knowledge and behavioural adjustments of human resources (Jyoti and Jyothi, 2009).

Research Methods: The research was also done within the multi-disciplinary field of evaluation. In evaluation research, methods of social science can be used to assess the usefulness or effectiveness of social interventions (Bless & Higson-Smith, 1995). In the study, normality of data have been tested through two well- known tests of normality, namely the Kolmogorov-Smirnov test (KS-Test) and the Shapiro-Wilk test, which shows that data significantly deviate from a normal distribution. Therefore, for testing the formulated hypotheses, Mann Whitney (U) test has been used for deviating HR efficiency and effectiveness between public and private sector commercial banks.

Statistical Results and Discussions

Objective- I: To measure the efficiency of HR Practices in Indian Banks.

HO1: There is no significant difference in between public and private banks with regard to efficiency of HR practices.

Data Normality Assessment: Normality Assessment is a prerequisite of any inferential statistics, because it decides the pattern of test statistics. Data has been checked using the Kolmogorov-Smirnov test (KS-Test) and the Shapiro-Wilk test (table-1) and it was found that data significantly deviate from a normal distribution as the significant value of both the test is less than 0.05.

Table: 1 Test of Normality

Kolmogorov-Smirnov[a]			Shapiro-Wilk		
Statistic	df	Sig.	Statistic	df	Sig.
0.390	360	0.000	0.711	360	0.000

a.Lilliefors Significance Correction

Efficiency measures relationship between inputs and outputs or how successfully the inputs have been transformed into outputs (Low, 2000). Efficiency is all about resource allocation across alternative uses (Kumar and Gulati, 2010). Table 2 reveals that P value is less than 0.05 for efficiency of HR practices in public and private banks. Hence, it can be concluded that there is significant difference in public and private banks with regard to efficiency of HR practices. However, based on mean score, it is found that the mean ranks of public sector banks with regard to efficiency of HR practices (170.29) is less than the mean rank of private sector banks(200.92). It means that HR practices in private sector banks are more efficient as compared to public sector banks.

Table: 2 Efficiency of HR Practices in Public and Private Banks

Type of Organization	N	Mean Rank	Mann-Whitney U- Test	Wilcoxon W-Test	Z-Test	Sig. Level	Inference
Public (Allahabad Bank)	240	170.29	11950.000	40870.000	-3.257	0.001	Significant
Private (Axis Bank)	120	200.92					

Objective II: To differentiate the HR effectiveness in public and private banks.

HO2: HR effectiveness is not deviating in public and private banks.

Usually effectiveness determines the policy objectives of the organization or the degree to which an organization realizes its own goals (Zheng et al, 2010). For the present study, the effectiveness of the HR function was not evaluated with regards to specific measures or benchmarking criteria, but rather in terms of internal customer or stakeholder expectations. The effectiveness of the HR function was evaluated with regards to its ability to meet stakeholder expectations. Stakeholder expectations are grounded in the latest trends in HR transition as per the available literature (Boninelli, 2004; Pfau & Kay, 2002; Ulrich, 1997).

Normality Assessment: For assessing the normality of data, the same procedure has been followed as in the case of testing of first hypothesis. In this case also, data significantly deviate from a normal distribution as the significant value of both the test is less than 0.05, which is shown in Table 3.

Table: 3 Test of Normality

Sr. No.	HR Effectiveness Measures	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
1.	Change Management	0.359	360	0.000	0.773	360	0.000
2.	Financial Objectives	0.453	360	0.000	0.567	360	0.000
3.	Workforce Diversity	0.394	360	0.000	0.651	360	0.000
4.	Gender Discrimination Policy	0.391	360	0.000	0.688	360	0.000
5.	Corporate Social Responsibility	0.443	360	0.000	0.606	360	0.000
6.	Employee Engagement	0.407	360	0.000	0.636	360	0.000
7.	Talent Retention	0.388	360	0.000	0.700	360	0.000

a. Lilliefors Significance Correction

To test the second hypothesis, "HR effectiveness are not deviating in public and private banks", the Mann Whitney (U) test has been applied and the mean ranks of public and private banks with regard to seven different select measures considered in the present study were also found out. The results are summarized in Table 4:

Table: 4 Deviating HR Effectiveness Measures (Mann-Whitney Test)

Sr. No.	HR Effectiveness Measures	Type of Organization	N	Mean Rank	Mann-Whitney U- Test	Wilcoxon W-Test	Z-Test	Sig. Level	Inference
1.	Change Management	Public (P_1) (Allahabad Bank)	240	159.69	9406.500	38326.500	-6.309	0.000	Significant
		Private (P_2) (Axis Bank)	120	222.11					
2.	Realistic Financial Objectives	Public(P_1) (Allahabad Bank)	240	184.47	13447.500	20707.500	-1.521	0.128	Not Significant
		Private(P_2) (Axis Bank)	120	172.56					
3.	Workforce Diversity	Public(P_1) (Allahabad Bank)	240	173.91	12817.500	41737.500	-2.321	0.020	Significant
		Private(P_2) (Axis Bank)	120	193.69					
4.	Gender Discrimination	Public(P_1) (Allahabad Bank)	240	199.94	9734.500	16994.500	-6.039	0.000	Significant
		Private(P_2) (Axis Bank)	120	141.62					
5.	Corporate Social Responsibility	Public(P_1) (Allahabad Bank)	240	197.32	10362.500	17622.500	-5.613	0.000	Significant
		Private(P_2) (Axis Bank)	120	146.85					
6.	Employee Engagement	Public(P_1) (Allahabad Bank)	240	204.79	8569.500	15829.500	-7.594	0.000	Significant
		Private(P_2) (Axis Bank)	120	131.91					
7.	Talent Retention	Public(P_1) (Allahabad Bank)	240	191.34	11799.500	19059.500	-3.473	0.001	Significant
		Private(P_2) (Axis Bank)	120	158.83					

P_1: Public sector bank; and P_2: Private Sector bank

Table 4 reveals HR effectiveness deviates in between public and private sector banks in case of change management ($p=0.000<0.05$), workforce diversity ($p=0.020<0.05$), gender discrimination ($p=0.000<0.05$), corporate social responsibility ($p=0.000<0.05$), employee engagement ($p=0.000<0.05$) and talent retention ($p=0.001<0.05$) except realistic financial objectives ($p=0.128>0.05$) . Hence, it can be concluded that there is significant difference between public and private sector banks with regard to above mentioned six measures. Further, based on mean rank, it can be concluded that HR system is more effective in public sector banks as compared to private sector banks with regard to Gender discrimination (P1:1999.94>P2:199.94), corporate social responsibility (P1: 197.32>P2: 146.85), employee engagement (P1: 204.79>P2: 131.91) and talent retention (P1: 191.34>P2: 158.83). While HR process are more effective in private sector banks as compared to public sector banks with regard to Change management (P2: 222.11 >P1: 159.69) and Workforce diversity (P 2 : 193.69 > P 1 : 193.69). Finally, realistic and reliable financial objectives are not deviating in between public and private sector bank, but mean rank of public bank higher than private bank.

Conclusions and Implications of the Study

This paper emphasized on various subjective HR effectiveness and measures to achieve organizational excellence mainly in Indian banks. The study has incorporated seven measures, namely, change management, workforce diversity, gender discrimination policy, corporate social responsibility, financial objectives, employee engagement and talent retention to make a qualitative assessment. Further, the result shows that efficiency of HR practices are different in both the sector. Public sector banks are lacking in efficient HR practices while performing well with regard to several HR effectiveness measures such as Financial objectives, Gender discrimination , Corporate social responsibility, employee engagement and talent retention whereas private sector banks are mastering through Change management, and Workforce diversity. These findings are similar to the findings of various studies namely McLeod, Lobel, & Cox (1996) and Wilson & Iles (1999) found that a diverse workforce has a better-quality solution to brainstorming tasks, displays more cooperative behavior relative to homogenous groups and can raise organizational efficiency, effectiveness and profitability. Uzunova (2012) in his study found that HR competencies in change management are recognized as highly important improvement is needed. Han et al. (2006) in their study found that change management is not a significant predictor of HR effectiveness in the multiple regression whereas it is significant in case of simple regression. Khalid &Aroosh (2014) concluded in their study that people working in banks don't think that there is discrimination to females within their organization. Mishra, Kapse & Bavad, (2013) concluded highly engaged workforce will definitely make an organization more successful in terms of financial and non-financial parameters. Alami et al. (2015) in their study concluded that HRM in the context of finding, attracting and selecting employees have a significant effect on improving the effectiveness of employees' performance. Furthermore, high positive significant correlation between effectiveness of HR practices and managing workforce diversity was found in her study. On the contrary, Shukla (2014) in her study found that public sector banks are unfavorably dealing with the issue of talent retention and they don't have any defined employee retention policy where as private sector banks give prominent importance to talent retention and their various HR policies and practices are aimed to retain best talent in their organization.

Although there are various opinions regarding valuation of the organization. The study has adopted two different criteria as Mouzas (2006) emphasized two indicators to assess the performance: the efficiency and the effectiveness. Similarly Bounds at all (2005) and Robbins (2000) indicate common measures of the organizational performance are effectiveness and efficiency. Effectiveness and efficiency are exclusive performance measures, yet, at the same time, they influence each other. In this study, Axis bank found more efficient than Allahabad bank in HR process but as far as HR effectiveness is concerned public sector bank (Allahabad bank) shows more effective than Axis bank. The study contradicts prior research of Hen at al (2006) whereas efficiency leads effectiveness. In order to achieve the excellence in competitive performance, organizations should strive to increase the efficiency and effectiveness indicators evenly. The study recommends that organizations can maximize HR effectiveness by having HR professionals who possess field expertise such as recruiting, training, and compensation in order to provide the best possible internal services to employees and line managers. HR professionals should also have business competencies that enable them to design a series of internally consistent HR policies and practices that contribute to their firm's business objectives. In a nutshell, the select HR effectiveness measures are the critical ingredient for the Indian banks seeking to ensure sustainable strategic competitive advantage. HR measures and metrics are important to develop insight in order to help organizations find new ways of meeting current and future challenges (CIPD, 2011).

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