

Human Resource Management Practices and Employee Trust in Private Sector Banks

L.D. Victor

Department of Management, Faculty of Commerce and Management,
Eastern University, Sri Lanka
vldila@yahoo.com

Abstract: The rising importance of people to the very success of the business, organizations will survive in an increasingly competitive environment if they ignore people related business concerns (Schuler and Walker, 1990). Many researchers have pointed out that human resource management practices (HRMP) impact on the outcomes such as employee satisfaction, employee commitment, employee retention, employee presence, employee involvement, employee trust, employee loyalty, organizational fairness [Edgar and Geare (2005) and Paauwe and Richardson (1997)]. Some of the authors indicate that these outcomes and HRMP can lead to a firms performance such as profits, market value of the company, market share, increase in sales, productivity, product service quality, customer satisfaction, development of products/services and future investments. The purpose of this study is to find out the HRMP and employee trust in private sector banks. The data for this study is collected from 200 employees selected from private banks. In this study, researcher concerning about two variables, HRMP: recruitment and selection, training and development, performance appraisal and rewarding; and Trust. The researchers used the questionnaire to collect the primary data. Inferential statistics was used to analyze the data. In that regression was done to find out the relationship between independent and dependent variable. The researchers used SPSS 16.0 to analyze the data. The results reveals that HRMP, which are recruitment and selection, performance appraisal and rewarding have the positive impact on trust. And training and development don't have the impact on trust.

Keywords: Recruitment and selection, Training and development, Performance appraisal, Rewarding, Trust