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WORK PERFORMANCE OF EMPLOYEES IN THE SELECT COMMERCIAL BANKS IN KERALA.

Abstract

Being one of the most important constituents of financial system, banking institutions are providing finance to industries, entrepreneurs, government and individuals and thereby supports economic progress and growth. Commercial banks support a nation's wealth and acting as financial reservoir and hence play vital role in the economic development of a country. The digital transformation enabled changes happen everywhere compels banking organisation to improve its employee competencies and skills. Hence, is considered as one of the most important challenges facing by the human resource managers in banking organisation. This article tries to examine the work performance of employees in select commercial banks in Kerala by analysing certain predictor variables and its impact on work performance.

Key words: *Employees, Work performance, Task performance, Adaptive performance, Contextual performance, Technical competency, Operational efficiency, Motivation, Morale.*

Introduction

Financial system is a platform where the savers and the borrowers come together and this results in the smooth functioning of economic activities (Francis, 2014). Being one of the most important constituents of financial system, banking institutions are providing finance to industries, entrepreneurs, government and individuals and thereby supports economic progress and growth. Banks stand at a vital position in the re-distribution of capital, contributing to the efficient functioning of the market economy (Danyil & Yaroslav, 2024). Banks in India have been undergoing major challenges in the dynamic environment over the past few years (Malyadri & Sirisha, 2015). Plenty of reform initiatives in our country were effected to enhance the performance of banking institutions. An efficient banking system has significant positive externalities, which increases the efficiency of economic transaction in general (Jayaseely, 2019). Commercial banks support a nation's wealth and acting as financial reservoir and hence play vital role in the economic development of a country. The general role of commercial banks is to

31 provide financial services to the general public and business while ensuring economic and social
32 stability and sustainable economic progress (Anitha & Tamil, 2023). As a result of economic
33 reforms and wide opening of four boundaries of our banking economy, many private and foreign
34 players and new generation techno savvy banks have been entered in the financial system. This
35 creates tougher competition between the existing players and new generation banks (Aloysius,
36 2014). The operations of commercial banks cannot be ignored since they have the best human
37 resources in delivering effective customer services. Excellent services provided and offered by
38 employees can create a positive perception and everlasting image in the eyes of banks' customers
39 (Vengateswaran & Menaka, 2014).

40 In the rapid dynamic world of digital transformation, getting and retaining better
41 performing employees is more challenging in banking institutions. In the current era of swift
42 technological progress and changing client demands, human interaction is still crucial to provide
43 outstanding banking services (Ashwitha & Prinyanka, 2025). On the other hand, the employees
44 are to be creative, competent, innovative, flexible and trained enough to handle information
45 effectively (Rida & Faiza, 2015). The digital transformation enabled changes happen everywhere
46 compels banking organisation to improve its employee competencies and skills. Hence, is
47 considered as one of the most important challenges facing by the human resource managers in
48 banking organisation. Competency is not a new concept of the era but it becomes a recent
49 practice of the organisations due to certain developments in this direction (Keerthy & Biju,
50 2018). Competent employees are the greatest assets of an organisation. The proficiency of
51 employees play very crucial role in the context of diverse challenges faced by the modern
52 organisations (Menaka & Vengateswaran, 2014). This article tries to examine the work
53 performance of employees in select commercial banks in Kerala by analysing certain predictor
54 variables and its impact on work performance.

55 **Objective of the study**

56 To measure the work performance of employees in the select commercial banks in Kerala and the
57 impact of certain predictors variables on the work performance of employees

58 **Hypothesis of the study**

59 The work performance of bank employees is remarkably influenced by their self-efficacy,
60 technical competency, operational efficiency, motivation and morale.

61 **The research methodology**

62 The study utilised secondary and primary data sources but primary data is comparatively
63 more dominant. The secondary data were sourced from various banking, research methodology
64 and statistical and data analysis books, journals, unpublished PhD theses, official websites of
65 banks, data base of Bankers' Association and RBI bulletin. The primary data were collected from
66 employees and managers of popular six banks (two banks each from old private sector, new
67 private sector and public sector, $2 \times 3 = 6$) operating in Kerala using separately designed structured
68 questionnaires. At the outset, top six banks viz, SBI, Canara bank (public sector), Federal bank,
69 South Indian bank (old generation private sector), HDFC bank and ICICI bank (new generation
70 private sector) are selected. Thereafter, multistage random sampling technique has been used to
71 pick samples.

72 At the first stage, the entire districts in Kerala have been divided into five zones similar to
73 the five zonal divisions of the Life Insurance Corporation of India. Viz., Ernakulam, Kottayam,
74 Kozhikode, Thrissur and Thiruvananthapuram and afterwards, three zones viz., Ernakulam,
75 Thrissur and Kozhikode zones were purposefully selected to ensure corporations in it. At the
76 second stage, Ernakulam, Trissur and Kozhikode districts were picked (from the zones selected
77 at the first stage) as these three districts have large number of bank branches. At the next stage
78 (third), one corporation each (01×03 districts = 03) and six Municipality each (6×03 districts
79 = 18) are picked from the districts selected at the second stage.

80 At the fourth stage, one branch and manager or assistant manager each of the above
81 mentioned six banks were purposefully picked from each corporation (3 corporation \times 6 banks =
82 18 branches and 18 managers) and municipality (18 municipality \times 6 banks = 108 branches and
83 108 managers). Thereafter, at the last stage (fifth stage) six employees each from all bank
84 branches ($18 + 108 = (126 \times 6) = 756$) under consideration were randomly picked.

85 The tools like simple percentage analysis, quartiles, one sample t-test, independent
86 samples t-test, multiple correlation and multiple regression have been used for primary data
87 analysis.

88 **Results and Discussions**

89 This article has two sections. First section analyses the work performance of employees
90 in terms of their task performance, adaptive performance and contextual performance. The

91 second section analyses the relationship between Self-Efficacy (SE), Technical Competency
92 (TC), Operational Efficiency (OE), Motivation, Morale and Work Performance of employees
93 through the application of correlation and regression.

94 **Section I**

95 The work performance of the bank employees is measured by examining their (1) Task
96 performance, (2) Adaptive performance, and (3) Contextual performance. Task performance is
97 measured by six elements, Adaptive performance is measured by five variables, contextual
98 performance is measured by nine variables. The respondents were requested to fill up the
99 questionnaire on these elements on a five-point scale. The five responses are 'strongly
100 disagree', 'disagree', 'neutral', 'agree' and 'strongly agree'. These response options carry scores
101 from '1 to 5' points respectively.

102 In order to have an idea on the overall collective response (behaviour of 756 employees)
103 of sample bank employees on the construct under consideration (task performance), summated
104 mean value is determined. Similarly different quartiles Q1, Q2 (i.e., central value) and Q3 are
105 also determined on these overall responses. Thereafter, already determined summated mean
106 value is compared with the quartiles computed now.

107 If the summated mean value is approximately around the Q2 (or central value), it is
108 considered that the overall response is moderate. If it is less than Q2 but more than Q1, the
109 overall response on the construct is low. If it is less than Q1, it is considered that the overall
110 response is low.

111 Similarly, if the summated mean value is above Q2 but below Q3, it is considered that the
112 overall response on the construct is high. If it is more than Q3, it is considered that the overall
113 response is on the construct (task performance) is very high (Jojo, 2008).

114 Criteria fixed for the above purpose is summarized in the table underneath.

115 **Table 1**

116 *Criteria– Performance*

Mean value	Overall collective response
If mean value is below Q1	Very low performance

More than Q1 but less than Q2	Low performance
Approximately around Q2	Moderate performance
More than Q2 but less than Q3	High performance
More than Q3	Very high performance

117 *Source: set by the researcher*

118 Where; $Q1 = (\text{minimum possible score} + \text{Maximum possible score}) \times \frac{1}{4}$

119 $Q2 = (\text{minimum possible score} + \text{maximum possible score}) \times \frac{2}{4}$

120 $Q3 = (\text{minimum possible score} + \text{maximum possible score}) \times \frac{3}{4}$

121 The extent of performance (task) based on above criteria is measured and justified
122 through one sample t-test. The test output is summarised underneath.

123 Ho: The work performance of the sample bank employees by task performance is neither high
124 nor low.

125 Ha: The work performance of the sample bank employees by task performance is either high or
126 low.

127 **Table 2**

128 *Test statistics – Task performance (one sample t-test)*

	Samples	mean	Standard deviation	t- value (test value =18)	p- value
Task performance	756	17.71	3.51	2.24	0.025*

129 *Source: field survey*

130 *Note: p-value is significant at one percent level and hence the mean value is significantly below*
131 *the central value (Q2) of 18 but above (Q1) of 12.*

132 Table 2 shows that the overall work performance of the sample bank employees on **task**
133 **performance is poor**. Application of researcher fixed criteria (comparison of mean value and

134 Q2) at this situation is also confirms the same result leading to a rejection of null hypothesis
135 (mean value =17.71) (Q2 =18). It justifies the rejection of null hypothesis.

136 The extent of performance (adaptive performance) based on above criteria is measured
137 and justified through one sample t-test. The test output is summarised underneath

138 Ho: The work performance of the sample bank employees by adaptive performance is neither
139 high nor low.

140 Ha: The work performance of the sample bank employees by adaptive performance is either
141 high or low.

142 **Table 3**

143 *Test statistics –Adaptive performance (one sample t-test)*

	Samples	mean	Standard deviation	t- value (test value =15)	p- value
Adaptive performance	756	14.62	3.21	3.23	0.001**

144 *Source: field survey*

145 *Note: p-value is significant at one percent level and hence the mean value is significantly below*
146 *the central value (Q2) of 15 but above 12 (Q1).*

147

148 Table 3 shows that the **overall work performance** of the sample bank employees by
149 **adaptive performance is poor**. Application of researcher fixed criteria (comparison of mean
150 value and Q2) at this situation is also confirms the same result leading to a rejection of null
151 hypothesis (mean value =14.62)(Q2 =15).

152 The extent of performance (contextual performance) based on above criteria is measured
153 and justified through one sample t-test. The test output is summarised underneath.

154 Ho: The work performance of the sample bank employees in terms of contextual performance
155 is neither high nor low.

156 Ha: The work performance of the sample bank employees in terms of contextual performance
157 is either high or low.

158 **Table 4**

159 *Test statistics – One sample t-test- Contextual performance*

	Samples	mean	Standard deviation	t- value (test value =27)	p- value
Contextual performance	756	25.47	4.47	9.37	<0.001**

160 *Source: field survey*

161 *Note: p-value is significant at one percent level and hence the mean value is significantly below*
 162 *the central value (Q2) of 27 but above 13.5 (Q1).*

163

164 Table 4 justifies that the **overall work performance** of the sample bank employees on
 165 **contextual performance is poor**. Application of researcher fixed criteria (comparison of mean
 166 value and Q2) at this situation is also confirms the same result leading to a rejection of null
 167 hypothesis (mean value =25.47) (Q2 =27).

168 **Section II**

169 **Relationship between self-efficacy, technical competency, operational efficiency, motivation**
 170 **and morale on the work performance of employees**

171 **SE, TC, OE, Motivation, Morale and Work performance - Correlation**

172 To analyse the correlation between self-efficacy, technical competency, operational
 173 efficiency, motivation, morale and work performance of the respondents, correlation analysis is
 174 administered. The test result along with the hypothesis is presented below:

175 Ho: There is no significant correlation between the self-efficacy, technical competency,
 176 operational efficiency, motivation, morale and work performance of the bank employees.

177 Ha: There is significant correlation between the self-efficacy, technical competency, operational
 178 efficiency, motivation, morale and work performance of the bank employees.

179

180 **Table 5**

181 **Relationship between SE, TC, OE, Motivation, Morale and WP**

	SE	TC	OE	Motivation	morale	WP
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SE	R-value	1	0.317	0.168	0.156	0.247	0.290
	p-value		<0.001	<0.001	<0.001	<0.001	<0.001
TC	R-value	1	0.346	0.262		0.294	0.438
	p-value		<0.001	<0.001		<0.001	<0.001
OE	R-value		1	0.240		0.182	0.252
	p-value			<0.001		<0.001	<0.001
Motivation	R-value			1		0.245	0.208
	p-value					<0.001	<0.001
Morale	R-value					1	0.163
	p-value						<0.001
WP	R-value						1
	p-value						

182 *Source: original data from field*

183 *Note: ** and * denotes significant at one /five percent level*

184 Above table justifies that the relationship between self-efficacy and technical competency
185 ($r = 0.317$; p -value < 0.001), self-efficacy and operational efficiency ($r = 0.168$, p -value < 0.001),
186 self-efficacy and motivation (0.156 , p -value $= 0.028$) and self-efficacy and morale ($r = 0.247$, p -
187 value $= < 0.001$) and self-efficacy and work performance ($r = 0.290$, p -value < 0.001) of bank
188 employees are significant. That is, there is significant relationship between the self-efficacy,
189 technical competency, operational efficiency, motivation, morale and work performance of bank
190 employees. It justifies the rejection of null hypothesis.

191 **Impact of self-efficacy, technical competency, operational efficiency, motivation and morale** 192 **on the work performance of bank employees**

193 In order to measure the impact of self-efficacy, technical competency, operational efficiency,
194 motivation and morale on the work performance of the bank employees, multiple regression has
195 been operated. The output is described below.

196 Ho: The work performance of bank employees is not remarkably influenced by their self-
 197 efficacy, technical competency, operational efficiency, motivation and morale

198 Ha: The work performance of bank employees is remarkably influenced by their self-efficacy,
 199 technical competency, operational efficiency, motivation and morale.

200 **Table 6**
 201 *Impact of SE, TC, OE, motivation and morale on WP*

<i>R-value</i>	<i>R-Square value</i>	<i>ANOVA</i>		<i>Standardized coefficients</i>		
		<i>F-value</i>	<i>P-value</i>	<i>Present bias</i>	<i>Beta</i>	<i>p-values</i>
				Self-efficacy	0.158	<0.001**
				Technical competency	0.340	<0.001**
0.481	0.232	45.202	<0.001**	Operational efficiency	0.092	0.008**
				Motivation	0.075	0.029*
				Morale	0.011	0.748

202 *Source: original data from field*

203

204 Exhibit 6 justifies that the self-efficacy, technical competency, operational efficiency,
 205 motivation, morale and work performance of bank employees are correlated (R= 0.481). Further,
 206 23.2 percent of the disparity in the work performance is affected by the self-efficacy, technical
 207 competency, operational efficiency, motivation, morale of bank employees ($R^2 = 0.232$, p-value
 208 <0.001**). The extent of work performance is depended on self-efficacy, technical competency,
 209 operational efficiency, motivation and morale (F value= 6.805, p-value <0.001). It justifies the
 210 rejection of null hypothesis.

211 One unit increase in the self-efficacy will lead to 0.158 unit increase in the extent of work
 212 performance. One unit increase in technical competency will lead to 0.340 unit increase in the
 213 extent of work performance. One unit increase in operational efficiency will lead to 0.092 unit
 214 increases in the extent of work performance. One unit increase in motivation will lead to 0.075
 215 unit increase in the extent of work performance. One unit increase in morale will lead to 0.011

216 unit increase in work performance of bank employees. It justifies the rejection of null
217 hypothesis. Hence, the work performance of bank employees is depended on their self-efficacy,
218 technical competency, operational efficiency, motivation and morale and the technical
219 competency is the most important influencer of the work performance.

220 **Conclusion**

221 The work performance (task performance) of the bank employees by way of passion
222 towards work, ability to do multiple tasks simultaneously and showing high performance is poor.
223 The work performance (adaptive performance) of the employees in terms of mobilising
224 intelligence for team work, loosing temper when team members criticise, adjustment towards job
225 flexibility and organisational change are poor. Further they possess poor contextual performance
226 in not helping co-workers, not handling extra responsibilities, less empathy to co-workers, not
227 appreciating co-workers, less sharing of knowledge and ideas among co-workers. Less problem
228 solving and decision-making ability.

229 The relationship between self-efficacy and technical competency, self-efficacy and
230 operational efficiency, self-efficacy and motivation and self-efficacy and morale and self-efficacy
231 and work performance of bank employees are significant. The extent of work performance is
232 depended on self-efficacy, technical competency, operational efficiency, motivation, morale. For
233 every unit increase in self-efficacy, there will be 0.158 unit increase in the extent of work
234 performance. For every unit increase in technical competency, there will be 0.340 unit increase
235 in the extent of work performance. For every unit increase in operational efficiency, there will be
236 0.092 unit increase in the extent of work performance. For every unit increase in motivation,
237 there will be 0.075 unit increase in the extent of work performance. For every unit increase in
238 morale there will be 0.011 unit increase in work performance of bank employees.

239 They will, have to find time to learn things from the superiors and peers. This will
240 ultimately increase their work performance. Job interest is to be developed among the employees
241 by themselves. Job interest will automatically develop a kind of attitude to learn technical things,
242 technological advancements etc. to improve their work performance. To which they will have to
243 attend the training programmes organising by the concerned authorities. They should be little
244 more serious to see things in the organisational point of view (bank) so as to set professional
245 boundaries with colleagues, top officials, and with customers. Keeping friendship in the bank at a

246 moderate level will automatically increase their behavioural standard. Maintaining a diary to
247 write the things to be done in a particular day at the bank and planning everything to discharge a
248 particular work effectively will increase their job quality systematically. This will increase their
249 ability to work in a challenging environment and use the office hours effectively.

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