

STRATEGIC HUMAN RESOURCES MANAGEMENT AND ITS IMPACT ON PERFORMANCE IN SLOVAK BANKS

Patrik Fitala, Radovan Savov, Pavol Skočdopole

¹ Ing. Patrik Fitala (corresponding author); doc. Ing. Radovan Savov, PhD.; Ing. Pavol Skočdopole, Slovak University of Agriculture, Faculty of Economics and Management, Department of Management, Tr. Andreja Hlinku 602/2, 949 76 Nitra, xfitala@uniag.sk, 0000-0002-2160-0668

Abstract: The aim of this study is to explore the adoption of Strategic Human Resources Management (SHRM) approach in banking organizations that operates in Slovakia. It aims also to examine the relationships between two main parts such as Human Resource Management (HRM) and organizational performance, in addition, it aims to explore the main problems and challenges that may face (HRM) in the targeted banks. A survey methodology was adopted in this study using the self-administrated standardized questionnaire as the data collection method and that was distributed to (50) managers and collected from (31) managers. The results of the study were as follows: the targeted banks adopt (SHRM) approach when managing their (HR) as they also have long-term (HR) plans and written (HR) plans and policies; (HRM) managers participate in top management meetings. The most prominent challenges that hinder the effective implementation of (SHRM) were: limited budget dedicated to (HR) activities; lack of cooperation and coordination between executive managers and (HR) managers. Training, initial test, compensation and rewards are the main (HRM) practices and activities in the targeted banks. Importantly, (SHRM) positively affect the organizational performance which can be represented by increasing profits, increasing the sales ratios, increasing job satisfaction and increasing the loyalty of employees. The current study has made significant contributions to the body of knowledge at academic and practical levels and has come up with good recommendations to improve management of (HRM) and (SHRM) which will affect the effectiveness of whole organization.

Keywords: SHRM, strategic management, Slovakia, banks

JEL Classification: M12, O15

INTRODUCTION

The concept of SM is usually associated with the process of analysis, decision-making and activities that an organization undertakes to create and maintain a competitive advantage. (Sahni, 2020) Strategic management is a set of managerial decisions and activities that determine the long-term performance of a company. The study of strategic management therefore emphasizes the monitoring and evaluation of external opportunities and threats in the light of the company's strengths and weaknesses in order to create and implement a new strategic direction of the organization (Hunger, 2020). Mintzberg (2007) describes the strategy as a pattern in a stream of decisions. Ensuring strategic agility requires continuous monitoring of the internal and external environment, rapid collection and use of information, and rapid response to market changes (Kumkale, 2016). Strategic agility can increase the quality of an organization's competitive activities and relevant responses to environmental fluctuations, and thus can increase performance (Tallon & Pinsonneault, 2011). There is a growing consensus that organizational human resources (HR) practices and policies make a significant contribution to organizational performance in public and private organizations (Kim, 2012).

1. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

1.1 Strategic Human Resources Management (SHRM)

Strategic Human Resource Management (SHRM) has developed as an area of managerial practice and research since the mid-1980s. However, there is still much discussion in the literature about the definition of SHRM and the concept of human resources strategy (Boxall et al., 2007; Boxall & Purcell, 2000; Tompkins, 2002).

1.2 SHRM and Performance

Wright & McMahan (1992) argue that research has conceptualized SHRM inconsistently, making it difficult to adequately assess what exactly we know and what we do not know about the area. SHRM can be defined as "a model of the planned deployment of human resources and activities aimed at enabling society to achieve its goals" (Wright & McMahan, 1992, s. 298). This definition means that the SHRM consists of at least four parts. First, it focuses on the organization's human resources as the primary resource to be used strategically. Second, the concept of performance emphasizes human resource organization programs, policies, and management practices as a means by which company people can be managed for competitive advantage. Third, both the model and the plan describe the purpose and process of the strategy. Consensus or proposal, also known as compliance. The authors noted that this letter can consist of both vertical (with an organizational approach) and horizontal (all personnel management activities are parallel) aspects. Fourth, within this definition, people, skill and the planned scheme are defined and linked to achieving the goal.

1.3 SHRM Components

SHRM has recently been defined as an ongoing effort to align an organization's personnel policy and practices with its business strategy (Boxall et al, 2007). The interest in SHRM as a concept reflects the growing awareness that human resources are the key to success in organizations. Nevertheless, the significance of SHRM for many organizations is far from clear. In addition, Hall et al. (2009) argue that strategic human resource management is largely about integration and adaptation. It is in its interest to ensure that: 1) human resource management is fully integrated with the organization's strategy and strategic needs; 2) HR policies intersect within policy areas as well as between hierarchies; and 3) HR procedures are modified, accepted and used by line managers and employees as part of their day-to-day work (Altarawneh et al, 2009). Many unanswered questions remain about the implementation of the SHRM and the success rate (Boxall et al, 2007). In order for SHRM to radically change the role of human and human resource management practices, the concept of SHRM and the way it is applied in organizations needs to be clarified (Hall et al, 2009). Accordingly, a number of requirements and conditions have been proposed for the adoption and success of the SHRM.

1.4 Established strategic planning process of SHRM

The goal of strategic planning is to provide organizations with a clear logic or direction by clarifying the mission, addressing key issues and defining goals and objectives (Tompkins, 2002). The literature argues that SHRM's goals are best achieved through a company-wide strategic planning process in which top management defines strategic goals for the entire organization and managers develop their operational plans accordingly. In addition, the strategic planning required for SHRM can be done in several ways. It may be externally or internally managed or ordered from above for accountability purposes, or it may be voluntary, or it may involve a temporary problem-specific process or an ongoing institutionalized process for goal setting and problem management (Tompkins, 2002; Wright et al., 2001; Harris, 2009). Proponents of SHRM tend to envision an institutionalized, internally managed strategic planning process adopted by organizations to define their mission, set priorities, and select strategic goals (Sobhani et al., 2021; Al-Alwan et al., 2022; Tompkins, 2002; Boxall et al., 2007; Hall et al., 2009).

1.5 Strategic Planning Process

SHRM requires more than just an established strategic planning process. It also requires the full involvement of the Human Resources Director in this process. This is necessary to ensure that the strategic plans under discussion are evaluated in terms of their implications for human resources (Tompkins, 2002). The involvement of the human resources director is also necessary so that the human resources staff can better and more fully understand the organization's mission and the challenges faced by line managers. However, organizational leaders tend to perceive HR managers who perform relatively routine functions and occupy a relatively low position in the organizational plan (Tompkins, 2002; Becker & Huselid, 1999; Harris, 2009). Therefore, they are not willing to involve recruitment managers in strategic discussions. At the same time, many HR recruitment managers were slowly asserting themselves in a strategic role because their professional background did not prepare them to take on this strategic role. Human resource management training usually focuses on the management of human resources systems and not on general management or organizational development (Tompkins, 2002).

1.6 Human resources management objectives and plans

Strategic goals and objectives are key outputs of the planning process and are often set out in a written plan. This plan provides direct support to HR / Personal, as it aims to align existing policies and procedures with strategic objectives. The Human Resources / Human Resources Department may develop its own plan that links or links its goals to the goals of the organization, or employees may be reminded of the need to consider the organization's strategic goals in their day-to-day operations (Tompkins, 2002; Boxall et al., 2007). Although this requirement may seem simple, most discussions of strategic planning do not define what the term strategy or strategic goal actually means (Tompkins, 2002; Boxall & Purcell, 2000; Boxall et al., 2007). In private sector organizations that adopt SHRM, a business strategy is planned that will give them a competitive advantage over other organizations in their industry (Silveira & de Fátima Martins, 2022). Once the business strategy is chosen, specific objectives can be identified and the task of aligning human resources and human resources policies and procedures can begin.

1.7 Aligning HRM policies and practices with strategic objectives

A key requirement of SHRM is to align human resources policies and practices with the organization's strategic objectives, also known as vertical adaptation or integration (Hall et al., 2009; Chen & Huang, 2009; Ahmad & Schroeder 2003; Vlachos, 2008; Tomkins, 2002; Boxall et al., 2007). Although many examples of alignments have been reported in the literature, no categorization scheme has yet been proposed to capture how alignments are achieved (Delery & Shaw, 2001; Tompkins, 2002; Wright & Shermann, 1999). In general, these examples fall into one or more of the following categories: adaptation to environmental change: this includes measures taken by human resources / human resources departments in response to external trends; build human capacity to support strategic initiatives - this includes anticipating future workforce needs and taking steps to recruit new staff or retrain existing staff to meet expected demand; integration with organizational culture; Prepare employees for change. In addition to steps to develop a new organizational culture, the human resources department can also take steps to prepare employees for the upcoming changes (Tompkins, 2002).

The above four SHRM requirements cannot be met unless HR fundamentally changes the way it does business (Hall et al., 2009; Boxall et al., 2007; Tompkins, 2002; Way and Johnson, 2005). SHRM supporters have made a number of recommendations in this regard. First, HRM must develop and expand the capabilities needed to support strategic plans; this means that the workforce must develop knowledge in the areas of work planning, organizational development, change management, employee motivation and human resource theory (Tompkins, 2002; Boxall et al., 2007). In addition, HR/employees must also acquire knowledge of general management and the specific human resources issues that managers deal with. The unanswered question remains whether this strategic role should be assigned to a specific HR unit or expected from all HR

/ employees. As HRM's strategic and operational functions are in conflict in many ways, it will continue to be a constant challenge to play both roles together (Tompkins, 2002).

1.8 SHRM management fund

Another important issue is the line management fund, which cannot be created if the organization's managers consider human resource management as a means of enforcing rules and a source of unsurpassed rules and regulations (Tompkins, 2002; Chen & Huang, 2009; Way & Johnson, 2005). According to SHRM advocates, service orientation can be created by having managers primarily responsible for human resource management and the creation of service teams composed of general staff to help managers achieve mission-related goals (Tompkins, 2002; Offstein et al., 2005; Becker & Huselid, 1999). According to this proposal, HR / HR should take on a service-oriented role, both in the management of human resources systems such as rank and remuneration, and in consultation with other line managers on specific HR / HR issues or objectives. If HRM wants to contribute more directly to the mission of the organization, it is important to change the focus. These conditions confirm what is needed to integrate strategic planning with human resources. Management in such a way as to increase the efficiency of the organization. Such integration is difficult to achieve without a strategic planning process, HR / HR manager involvement, and subsequent HR / HR plans developed to achieve set goals (Tompkins, 2002; Boxall et al., 2007; Hall et al., 2009).

2. METHODOLOGY AND STUDY DESIGN

2.1 Population and Sampling Technique

As we have mentioned before, it is a question of finding out whether the target organizations and institutions adopt the SHRM approach in managing human resources in their organizations. We also discuss whether the adoption of SHRM affects the management of human resources in the organization or not. The decision was to focus on all banks operating in Slovakia, as the banking sector is a very developed sector in Slovakia, except that they are well known as private organizations that invest more in SHRM activities and programs. This study therefore focuses on (50) managers (such as team leaders, low tier management level, medium tier level, high tier management level, CEO or other) as the study population using questionnaire survey. However, only 31 questionnaires were returned, so the accepted response rate is (62%).

2.2 Data Collection Method

In order to be able to answer the research questions and meet the objectives set, we decided to use a self-administered questionnaire (supplied and collected by the researcher) as a data collection method that suits the design of the study; research. The questions in the questionnaire were based on some studies related to the set of studies, paying attention to the focus of the financial sector. However, care was taken to ensure the validity and reliability of the study when developing the questionnaire, and the results of this study will be compared with the results of other relevant studies. The questionnaire contains two main parts:

The first part: is the general information (e.g. number of the employees in the organization, years of experience, the organizational form of human resources, and the human resource unit structure).

The second part is about the study's main variables/constructs and questionnaire's questions, which was composed of (31) items divided into following sections:

- The first section and second section include the existence of long-term plans for human resources management and personnel matters, participation in the bank's strategy or participation in board meetings, which includes questions on a Likert scale: (1) Strongly agree, (2) agree, (3) Not sure, (4) disagree, (5) strongly disagree. This section includes following points: HR roles and policies with 3 questions. The second section is about the study's HRM practices and activities, which was composed of 4 questions, which includes questions on a Likert scale: (1) Strongly agree, (2) agree, (3) Not sure, (4) disagree, (5) strongly disagree. The third section includes questions on a Likert scale: (1) Strongly agree, (2) agree, (3) Not sure, (4) disagree, (5) strongly disagree. This section includes points of HR Problems and Challenges including 8 questions. The fourth section includes questions on a Likert scale: (1) To a very great extent, (2) To a great extent, (3) Not

sure, (4) To a small extent, (5) To a very small extent. This section includes: "performance indicators which are affected by HRM", it comprises 16 questions.

Through our results of the correlation coefficient between the stage of each of questionnaire's section/construct and the total degree of the questionnaire, the values of Pearson correlation coefficient for each point of first section' questions are positive and statistically significant at the levels of 0.01 and down, which indicates that the questionnaire questions have a great degree of validity.

The questionnaire reliability:

Our case processing summary stated that from 31 respondents 0 was excluded, listwise deletion based on all variables in the procedure. This means the 100% performance of the selected respondents. Through the previous data, it is clear that the questionnaire has got an average stability coefficient, as Cronach's Alpha Coefficient was about (.687) for all constructs, which is considered A general accepted rule is that α of 0.6-0.7 indicates an acceptable level of reliability, which assures the researcher to use the study's instrument to collect data to answer the study's questions and trust its results.

Tab. 1: Reliability Statistics

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|------------------|----------------------------------------------|------------|
| ,687 | ,763 | 5 |

Source: own processing

3. FINDINGS AND RESULTS OF HYPOTHESES TESTING

We were successfully able to state, based on literature review and previous studies, hypothesis which are as followed:

- The first hypothesis "There is a significant impact of SHRM adoption on organizational performance"
- The second hypothesis "There is a significant difference in the impact of SHRM adoption on organizational performance according to years of experience in the field or industry of employees"

We also tried to find an evidence of statistical significance between years of work experiece or differences according to the number of employees within the organization compare to "HRM policies and roles" and "Performance indicators that are affected by HRM". Results are as followed summerized in the discussion and conclusion part. Participants and banks profiles presents the statistical results of the study participants and banks profiles. The following tables represents the total summary of participants.

Tab. 2: Participants and banks profiles

| Variable | Frequency | Percentage |
|---------------------------------------------------------------|-----------|------------|
| Gender | | |
| Male | 13 | 41,9 |
| Female | 18 | 58,1% |
| Other | 0 | 0% |
| Number of employees in the organization | | |
| Micro enterprise - less than 10 employees | 0 | 0% |
| Small business, 11 - 50 employees | 1 | 3,2% |
| Medium-sized enterprise, 51 - 250 employees | 7 | 22,6% |
| Large company, 251 and more employees | 23 | 74,2% |
| Number of years of experience in the field or industry | | |
| Less than one year | 0 | 0% |
| From 1- 5 years | 10 | 32% |

| | | |
|--------------------------------------------------------|----|-------|
| From 6 - 10 years | 12 | 39% |
| From 11 -15 years | 4 | 13% |
| More than 16 year | 5 | 16% |
| Employment section - job position | | |
| CEO | 0 | 0% |
| General manager | 2 | 6,5% |
| Section or department manager | 11 | 35,5% |
| Team leader | 8 | 25% |
| Other | 10 | 32,3% |
| Organizational form of HR and personnel matters | | |
| Division or unit within a section | 1 | 3,2% |
| Section inside the department | 7 | 22,6% |
| Special separate department | 20 | 64,5% |
| Other | 3 | 9,7% |

Source: own processing

The current survey shows that our sample is predominantly working in a large company, especially in the field of middle management with its own organizational unit.

3.1 Analysing the Results of HRM policies and roles (SHRM)

From the data we used the following ranking system according to the arithmetic average. The ranking system is based on the principle that the highest value indicates in which question the most respondents agreed on the basis of mean value. In this way, we can emphasize the fact that a larger group of individuals perceive the issue in the same way, and it is therefore necessary to focus on the issue.

Tab. 3: HRM policies and roles (SHRM)

| Question | Strongly agree | | Agree | | Neutral | | Disagree | | Strongly disagree | | Means | Stdev* | Rank |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------|-------|------|---------|------|----------|------|-------------------|-----|-------|--------|------|
| | R* | % | R | % | R | % | R | % | R | % | | | |
| There are long-term plans for human resources management and personnel matters in the bank / company. | 19 | 63,3 | 7 | 23,3 | 4 | 13,3 | 0 | 0 | 0 | 0 | 1,53 | 0,731 | 7 |
| There are written plans and policies in the bank / company for human resources administration and personnel matters. | 12 | 38,7 | 17 | 54,8 | 2 | 6,5 | 0 | 0 | 0 | 0 | 1,68 | 0,59 | 2 |
| Human resource managers are involved in shaping the bank / company strategy. | 13 | 41,9 | 17 | 5,8 | 1 | 4,2 | 0 | 0 | 0 | 0 | 1,61 | 0,56 | 4 |
| Human resources or personnel managers attend board meetings. | 9 | 30 | 10 | 33,3 | 6 | 20 | 4 | 13,3 | 1 | 3,3 | 2,27 | 1,14 | 1 |
| The human resources or personnel management plans are in line with the plans of other subdivisions in the bank / company | 15 | 48,4 | 12 | 38,7 | 4 | 12,9 | 0 | 0 | 0 | 0 | 1,65 | 0,71 | 3 |
| Human resources or personal affairs management policies and programs are consistent with the policies and programs of other departments of the bank / enterprise. | 17 | 54,8 | 12 | 38,7 | 1 | 3,2 | 1 | 3,2 | 0 | 0 | 1,55 | 0,72 | 5 |
| The CEO of the bank / company is involved in setting up human resources or personnel management plans. | 20 | 64,5 | 8 | 25,8 | 1 | 3,2 | 1 | 3,2 | 1 | 3,2 | 1,54 | 0,96 | 6 |

R* - stands for repetition

Stdev* - stand for standard deviation

Source: own processing

3.2 Analysing the Results of HR Problems and Challenges

This part of the questionnaire brings us to the question of the challenge and the problems to which the individual respondents had to state whether they agree with the given problem or do not agree to a certain extent. We also recorded a neutral result, where the respondents could not directly determine the positive or negative side. Even with these results, we come to the conclusion that in the work of Dr. Ikhlas I Altarawneh from Jordan and the surveyed banks and institutions have a different interface. As an example, we will state that in their work, most respondents agreed on the question - There is no specific annual budget for human resources, while in Slovakia the respondents agreed more on the question - Human resources administration lacks greater management support. We were able to include 8 questions in this section focusing on HRM problems and challenges with following results.

Tab. 4: HR Problems and Challenges

| Question | Strongly agree | | Agree | | Neutral | | Disagree | | Strongly disagree | | Means | Stdev* | Rank |
|--------------------------------------------------------------------------------------------------------------------------|----------------|-----|-------|-----|---------|------|----------|------|-------------------|------|-------|--------|------|
| | R* | % | R | % | R | % | R | % | R | % | | | |
| The human resources or personnel management plans are in line with the plans of other subdivisions in the bank / company | 1 | 6,5 | 0 | 0 | 3 | 9,7 | 4 | 12,9 | 22 | 71 | 4,2 | 1,12 | 7 |
| Human resources administration is part of another division in the bank / company. | 1 | 3,2 | 1 | 3,2 | 3 | 9,7 | 6 | 19,4 | 20 | 64,5 | 4,39 | 1,02 | 4 |
| There is no specific annual human resources budget. | 1 | 3,2 | 1 | 3,2 | 4 | 12,9 | 9 | 29 | 16 | 51,6 | 4,23 | 1,02 | 6 |
| Human resources administration lacks greater management support. | 2 | 6,5 | 1 | 3,2 | 2 | 6,5 | 11 | 35,5 | 15 | 48,4 | 4,16 | 1,3 | 8 |
| Senior management does not believe in the importance of human resources. | 0 | 0 | 2 | 6,5 | 2 | 6,5 | 8 | 25,8 | 19 | 61,3 | 4,42 | 0,88 | 2 |
| It is difficult to measure the outputs of human resources. | 1 | 3,2 | 1 | 3,2 | 1 | 3,2 | 9 | 29 | 19 | 61,3 | 4,41 | 0,96 | 3 |
| The qualification of employees in the field of human resources is low or insufficient. | 0 | 0 | 2 | 6,5 | 0 | 0 | 10 | 32,3 | 19 | 61,3 | 4,49 | 0,81 | 1 |
| Other executive managers do not cooperate with human resources employees in the bank / company. | 1 | 3,2 | 0 | 0 | 4 | 12,9 | 8 | 25,8 | 18 | 58,1 | 4,35 | 0,95 | 5 |

R* - stands for repetition

Stdev* - stand for standard deviation

Source: own processing

3.3 Analysing the Results of the HRM and Organizational Performance

The HRM-performance relationships section includes 16 short questions and this is the biggest section from. The results are as followed.

Tab. 5: HRM and Organizational Performance

| Question | To a very big extent | | To a big extent | | Medium | | To a low extent | | To extremely low extent | | Means | Stdev* | Rank |
|--------------------------------------------------------------------------------------|----------------------|------|-----------------|------|--------|-----|-----------------|-----|-------------------------|-----|-------|--------|------|
| | R* | % | R | % | R | % | R | % | R | % | | | |
| Results in a reduction in staff turnover: a reduction in the number of terminations. | 19 | 61,3 | 7 | 22,6 | 3 | 9,7 | 1 | 3,2 | 1 | 3,2 | 1,64 | 1,02 | 10 |
| Reduces the absence rate of employees. | 13 | 41,9 | 14 | 45,2 | 2 | 6,5 | 2 | 6,5 | 0 | 0 | 1,77 | 0,85 | 5 |
| Increases job satisfaction. | 16 | 51,6 | 12 | 38,7 | 2 | 6,5 | 1 | 3,2 | 0 | 0 | 1,61 | 0,76 | 12 |

| | | | | | | | | | | | | | |
|-----------------------------------------------------------------------|----|------|----|------|---|------|---|-----|---|-----|------|------|----|
| Communicates regularly with employees - shares current information. | 16 | 51,6 | 8 | 25,8 | 5 | 16,1 | 2 | 6,5 | 0 | 0 | 1,97 | 0,99 | 2 |
| Increases worker productivity. | 10 | 33,3 | 15 | 50 | 2 | 6,7 | 2 | 6,7 | 1 | 3,3 | 1,93 | 1,2 | 3 |
| Increases the quality of services provided. | 16 | 53,3 | 5 | 16,7 | 5 | 16,7 | 3 | 10 | 1 | 3,2 | 1,60 | 0,88 | 13 |
| Regulates the work behaviour of employees. | 18 | 58,1 | 9 | 29 | 2 | 6,5 | 2 | 6,5 | 0 | 0 | 1,65 | 0,95 | 11 |
| Increasing and developing employees' skills and qualification | 17 | 54,8 | 11 | 35,5 | 1 | 3,2 | 1 | 3,2 | 1 | 3,2 | 2,03 | 1,35 | 1 |
| Reduces the error rate at work. | 16 | 51,6 | 7 | 22,6 | 3 | 9,7 | 2 | 6,5 | 3 | 9,7 | 1,68 | 1,05 | 9 |
| Increases profitability. | 19 | 61,3 | 6 | 19,4 | 4 | 12,9 | 1 | 3,2 | 1 | 3,2 | 1,70 | 1,19 | 8 |
| Has a positive impact on sales and service delivery. | 18 | 58,1 | 10 | 32,3 | 0 | 0 | 0 | 0 | 3 | 9,7 | 1,87 | 1,18 | 4 |
| Increases customer satisfaction. | 15 | 48,4 | 11 | 35,5 | 1 | 3,2 | 2 | 6,5 | 2 | 6,5 | 1,71 | 1,1 | 7 |
| Participates in creativity in provided products and services. | 17 | 54,8 | 11 | 35,5 | 0 | 0 | 1 | 3,2 | 2 | 6,5 | 1,32 | 0,79 | 16 |
| Seeks to build loyalty and a relationship with work. | 25 | 80,6 | 4 | 12,9 | 0 | 0 | 2 | 6,5 | 0 | 0 | 1,46 | 0,86 | 15 |
| Seeks to increase the motivation and motivation of employees to work. | 20 | 66,7 | 8 | 26,7 | 1 | 3,3 | 0 | 0 | 1 | 3,3 | 1,48 | 0,77 | 14 |
| Seeks a return on the expenditure spent on human resources. | 20 | 64,5 | 8 | 25,8 | 2 | 6,5 | 1 | 3,2 | 0 | 0 | 1,76 | 0,96 | 6 |

R* - stands for repetition

Stdev* - stand for standard deviation

Source: own processing

4. TESTING THE STUDY HYPOTHESES

To test the first hypothesis regarding “*There is a significant impact of SHRM adoption on organizational performance*”, the researchers use Pearson correlation coefficient shown in Table (6). The results suggest that there is a positive correlation between performance indicators that are affected by human resources activities and the adoption of SHRM. This result shows that with the increase in the SHRM adoption levels, the performance indicators that are affected by HR activities will increase as well.

Tab. 6: Pearson correlation coefficient between the performance indicators that are affected by SHRM

| Variable | Performance indicators that are affected by human resources activity | Stat. significance |
|---------------------------------------------|----------------------------------------------------------------------|--------------------|
| Politics and roles of human resources. | ,642** | ,000 |
| Problems in managing human resources | ,303 | ,000 |
| Practices and activities of human resources | ,102 | ,000 |

Source: own elaboration

Following point was to test the second hypothesis saying “*There is a significant difference in the impact of SHRM adoption on organizational performance according to the study variables*” the researchers used (One Way ANOVA) and (T-test) as shown in the following tables. The results of Differences according to the number of employees within the organization show that there is statistical significant difference at the level of 0.05 or less in the responses of the study sample regarding to HRM impacts on performance. The results of Differences according to the years of experience show no statistical significant differences among participant's response according to their job titles related to HRM polices and roles and its impact on performance.

Tab. 7: Differences according to the number of employees within the organization

| | | Sum of Squares | df | Mean Square | F | Sig. |
|-------------------------|----------------|----------------|----|-------------|-------|------|
| HRM policies and roles. | Between Groups | 3,811 | 23 | ,166 | 1,108 | ,479 |
| | Within Groups | 1,047 | 7 | ,150 | | |

| | | | | | | |
|------------------------------------------------------------|----------------|-------|----|------|-------|------|
| | Total | 4,858 | 30 | | | |
| Performance indicators that are affected by HRM activities | Between Groups | 7,637 | 23 | ,332 | 3,099 | ,046 |
| | Within Groups | ,750 | 7 | ,107 | | |
| | Total | 8,387 | 30 | | | |

Source: own processing

Tab. 8: Differences according to the years of experience

| | | Sum of Squares | df | Mean Square | F | Sig. |
|------------------------------------------------------------|----------------|----------------|----|-------------|-------|------|
| HRM policies and roles. | Between Groups | 3,811 | 23 | ,166 | 1,108 | ,479 |
| | Within Groups | 1,047 | 7 | ,150 | | |
| | Total | 4,858 | 30 | | | |
| Performance indicators that are affected by HRM activities | Between Groups | 26,444 | 23 | 1,150 | ,238 | ,996 |
| | Within Groups | 33,750 | 7 | 4,821 | | |
| | Total | 60,194 | 30 | | | |

Source: own processing

DISCUSSION

The first finding concerned the state of HRM in the target banks. The results of the show that most of the participating banks and institutions were large organizations in terms of staff numbers. (35.5%) were section general managers and the rest were responsible for HR in their organizations. 21 participants out of 31 had 6 years of work experience or more. Regarding the organizational structure for the target banks, the results in Human Resources show that (64.5%) participants know that they have specific human resources organizational resources in their banks, which is a good situation for human resources in banks. And according to 20 participants, HRM does not have a human resources department, which again reflects the great attention that banks pay to HR as an important resource.

According to Pakhnenko et al. (2021), the service sector usually pays more attention to HRM than to other sectors. This is justified by the fact that the service sector is people-oriented; the quality of its services depends on the quality of the service providers (its employees). The results of human resources management policies and tasks measure the extent to which the target bank has adopted the SHRM approach in managing its human resources. The results that HRM in the target banks have long-term plans (63.3% of participants fully agreed), in addition to written policies and plans, HR managers participate in the process and decision-making strategic plan in banks in number (54.8% agree and 38.7 completely agrees). There is also consistency between HR plans and bank subsidiary management plans. These results in the strategic orientation of banks and the actual income of SHRM. It reflects the key role of HR in formulating strategic plans for banks. These results are in line with the results (Altarawneh, 2009), which confirmed the involvement of the HR manager so that the HR staff can better and better understand the organization's mission and the challenges faced by the managers.

Al Adresi & Darun (2017) says that the there should be a strong focus on the SHRM practises, since they have a significant effect on financial performance. Coordination between executive managers and those responsible for HR programs may not be achieved in an efficient and effective manner - this problem can also be caused by communication noise or a non-transparent work hierarchy in the organization. Participants also stated that if a department / HRM unit is affiliated with another department within the organization, it can affect the efficiency of its work - a problem that reflects the lack of resources and sometimes the different goals of the work teams. The statistical results for performance indicators that are affected by HRM activities reflect a number of indicators that are affected by HRM activities, such as: increasing customer satisfaction; increase profitability; increase productivity; rising from the left; increase job satisfaction; and increase employee loyalty.

In addition, hypothesis testing results suggest a positive correlation between performance indicators that are affected by HR activities and SHRM adoption. It also showed a positive correlation between performance indicators, which are affected by HR activities and the main HRM activities in the target banks. These important findings reflect the importance of effective human resource management within the organization precisely because the effects are not limited to employees, but involve customers and the organization as a whole, which can be clearly seen in employee satisfaction and improving the organization's intellectual image, improving overall performance and by increasing the market organization's share, which allows it to compete in the market.

CONCLUSION

Many important conclusions can be drawn. First, the target banks will use the SHRM approach to manage their HR activities. HRM has specific departments and departments, reflecting the importance of HRM's activities in these banks. Training, pre-testing (selection) and remuneration and rewards are the main activities of HRM in target banks. In general, however, HRMs face some challenges: a lack of full collaboration and coordination between executives and HR managers, and an insufficient budget for HR management. Secondly the introduction of SHRM has also impacted the performance of banks and they are positively correlated. Therefore, there are many indicators that are influenced by HRM activities, such as: increasing customer satisfaction, increasing profitability and increasing productivity, increasing sales, increasing job satisfaction and increasing employee retention.

The current study has many implications for HR and other managers, for HRM professionals, including all issues related to SHRM, HRM activities, HRM effectiveness and key HRM issues and challenges. It helps identify factors that can hamper HR management effectiveness in a single step, so you can find solutions to those problems and challenges. The scholarly contributions of this research can be described as an important empirical study that encompasses important issues that must be understood in the administration of effective human resource management activities and programs. As the first empirical study carried out in Abha, this study also contributes to the finding. In addition, this study explored many new ideas and facts that could be considered as directions for future work.

It is important to note here that the current study has some limitations; First, the study is limited to identifying the reality of HRM in the banking sector in the country of Slovakia. The study focuses on the topic of HRM and various variables associated with it. The current study succeeded in clarifying the influence of HRM activities on the performance of the organization in the banking sector. As a direction for future research, this study recommends conducting similar studies to identify practices and challenges faced by human resource management in other sectors within the Slovak Republic; Conducting similar studies to identify the relationship between HRM and employee satisfaction; Conducting similar studies to examine various factors that might affect the effective performance of human resources management in different organizations.

Text number of project

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