

**THE IMPACT OF HUMAN RESOURCE MANAGEMENT
PRACTICES ON EMPLOYEES' TRUST WITH
REFERENCE TO FINANCE AND INSURANCE
COMPANIES**



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Table of contents

Table of contents.....	i
Lists of tables.....	v
List of figures.....	vii
Acknowledgement.....	viii
Abstract.....	x

CHAPTER 01

INTRODUCTION

Page

1.1 Background of study.....	1
1.2 Research problem.....	3
1.3 Research questions.....	4
1.4 Objectives of the study.....	5
1.5 Scope of the study.....	5
1.6 Significance of the study.....	6
1.7 Limitations and Assumptions.....	7
1.8 The organizations of the chapters.....	7
1.9 Summary.....	8

CHAPTER 02
LITERATURE REVIEW

2.1 Introduction.....	9
2.2 Human Resource Management.....	9
2.3 Human Resource Management Practices.....	10
2.4 Human Resource Management Practices and Related variables.....	11
2.4.1 Training and Development.....	12
2.4.2 Recruitment & Selection.....	17
2.4.3 Performance Appraisal.....	20
2.4.4 Compensation.....	22
2.5 Trust and Related variables.....	25
2.6 Relationship between Human resources management practices and Trust.....	30
2.7 Summary.....	32

CHAPTER 03
CONCEPTUALIZATION AND OPERATIONALIZATION

3.1 Introduction.....	33
3.2 Conceptualization.....	33
3.2.1 Conceptual Framework.....	33
3.3 Definitions of all variables.....	34
3.4 Hypotheses.....	37
3.5 Operationalization.....	40
3.6 Summary.....	41

CHAPTER 04

METHODOLOGY

4.1 Introduction.....	42
4.2 Purpose of the study.....	42
4.3 Study setting & Design.....	42
4.4 Time horizon.....	42
4.5 Unit of analysis.....	43
4.6 Validity and Reliability.....	43
4.7 Sample size, Sampling distribution and Sampling method.....	43
4.8 Method of data collection.....	45
4.9 Method of data presentation, analysis and data evaluation.....	46
4.10 Summary.....	48

CHAPTER 05

DATA PRESENTATION AND ANALYSIS

5.1 Introduction.....	49
5.2 Analysis on personal information.....	49
5.3 Analysis and evaluation of research information.....	57
5.3.1. Reliability Test.....	57
5.3.2. Univariate Analysis.....	58
5.3.3 Bivariate Analysis.....	65

CHAPTER 06
FINDINGS AND DISCUSSION

6.1 Introduction.....	71
6.2 Discussion on personal information.....	71
6.3 Research information.....	73
6.4 The Relationship between study variables.....	76
6.4.1 Impact of managers' use of power on employees' organizational outcomes.....	77

CHAPTER 07
CONCLUSION AND RECOMMENDATIONS

7.1 Introduction.....	79
7.2 Conclusion.....	79
7.3 Recommendation.....	80
7.4 Implication.....	88
7.5 Summary.....	89
References.....	90
Appendix -A Questionnaire.....	106
Appendix -B Partial correlation.....	110

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 Human resource management practices 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 Human resource management practices and employee trust in finance and insurance companies. The data for this study is collected from 150 employees in the finance and insurance companies. In this study, researcher concerning about two variables, Human resource management practices: recruitment and selection, training and development, performance appraisal and compensation; 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 Human resource management practices, which are recruitment and selection, training and development, performance appraisal and compensation have the positive impact on trust. Most of the respondents perceived that the Human resource management practices level. Out of 150 respondents 76.7% of them stated that the level of Human resource management practices in high level. Here, training and development was highly important determinant factor of Employees' trust.

Keywords: Recruitment and selection, Training and development, Performance appraisal, Compensation, and Employees' trust