

MEDIATING EFFECT OF SOCIAL CAPITAL IN THE
RELATIONSHIP BETWEEN HUMAN RESOURCE
MANAGEMENT PRACTICES AND INNOVATIVE
PERFORMANCE OF PRIVATE BANKS IN TRINCOMALEE
DISTRICT

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ABSTRACT

The aim of the study is to find out Mediating Effect of Social Capital in the Relationship between HRM Practices and Innovative Performance.

Conceptual model is developed based on the existing literature. This study was implemented with three variable. HRM Practice, Social Capital and Innovative Performance of Private bank. Then dimensions of HRM Practices are Development Practices, Selection Procedures, Incentive in Compensation and Empowerment Practices is measured by two variable of Social Capital and Innovative Performance.

This research study was implemented in Trincomalee district and, 100 permanent staff participated to the survey sampling technique used to select the sample. Using a developed questionnaire the data was collected and four private banks named Commercial, Sampath and HNB and Seylan bank selected to the survey. The collected data was analyzed by using descriptive statistics, correlation analysis, and regression analysis.

Based on the findings of the study, it concludes that there is a high degree of HRM Practices and Innovative Performance in Trincomalee district and Social Capital of Private bank services is also in the level of high. When consider the degree of impact of HRM Practices to the Innovative Performance through Social capital, HRM Practices and Social Capital are good predictors of the Innovative Performance and there is a strong positive relationship between the HRM Practices and Innovative Performance and also Social Capital is positively correlated with the Innovative Performance. Social Capital mediates the relationship between HRM Practices and Innovative Performance. The findings of this study are useful in further enlarging and enriching applications of these concepts in practice. Many authors have examined the relationship between HRM Practices, Social Capital and Innovative Performance. Their finding indicates the existence of positive and significant relationship and this inspires the idea to review the literature on the relationship between HRM Practices and Innovative Performance, HRM Practices and Social Capital, Social Capital and Innovative Performance. As well as Social Capital does mediating this relationship, the topic of this paper.

Keywords: HRM Practices, Social Capital, Innovative Performance

TABLE OF CONTENTS

Page No:

Acknowledgement	I
Abstract.....	II
Table of Contents.....	III-VII
List of Tables	VIII-IX
List of Figures	X
Chapter - 1 Introduction	01-06
1.1 Background of the Study	01-02
1.2 Problem Statement.....	02-03
1.3 Research Question	03
1.4 Research Objective	04
1.5 Significance of the Study	04-05
1.6 Scope of the Study	05
1.7 Organizations of the Chapters.....	05-06
1.8 Chapter Summary	06
Chapter - 2 Literature Review.....	07-18
2.1 Introduction.....	07
2.2 Human Resource Management	07
2.3 Human Resource Management Practices.....	07-08
2.3.1 Variable Related With the HRM Practices	08
2.3.1.1 Training and Development	08-09
2.3.1.2 Recruitment and Selection	09
2.3.1.3 Incentives on Compensation	09
2.3.1.4 Empowerment Practices.....	09-10
2.4 Theory and Model.....	10
2.4.1 AMO Model.....	10-11
2.4.2 Layer Model.....	12
2.4.3 High-Performance Work System Model	12

2.5 Social Capital	12-13
2.6 Innovative Performance	13-14
2.7 Research Finding and Hypothesis	14
2.8 Relationship between HRM Practices and Innovative Performance	14
2.9 Relationship between HRM Practices and Social Capital	14-15
2.10 Relationship between Social Capital and Innovative Performance	15-16
2.11 Social Network Theory	16
2.12 HRM Practices, Social Capital and Innovation Performance	16-18
2.13 Chapter Summary	18
Chapter – 3 Conceptualization and Operationalization.....	19-23
3.1 Introduction	19
3.2 Conceptualization	19-20
3.3 Variables Relevant to the Conceptual Model	20
3.3.1 HRM Practices	20
3.3.1.1 Development programmes	20-21
3.3.1.2 Selection Procedures	21
3.3.1.3 Incentive on Compensation	21
3.3.1.4 Empowerment Practices	21
3.3.2 Social capital	21
3.3.3 Innovative Performance	22
3.4 Operationalization	22-23
3.5 Chapter Summary	23
Chapter- 4 Methodology.....	24-34
4.1 Introduction	24
4.2 Study Setting, Design and Method	24-25
4.3 Time Horizon	25
4.4 Unit of Analysis	25
4.5 Sample Design	25
4.5.1 Study Population	25

4.5.2 Sampling Elements	25-26
4.5.3 Sample Size and Sampling Method	26
4.6 Method of Data Collection.....	27
4.6.1 Primary Data	27-28
4.6.2 Secondary Data	28
4.6.3 Research Instruments	28-29
4.6.4 The Rational for the Question.....	29
4.6.5. Method of Measured of Personal Information	29
4.7 Method of Data Analysis	29-30
4.8 Method of Data Evaluation.....	29
4.8.1 Univariate Analysis and Evaluation.....	29
4.8.1.1 Mean	30
4.8.1.2 Standard Deviation.....	30-31
4.8.2 Bivariate Analysis.....	31
4.8.2.1 Correlation Analysis	31-32
4.8.2.2 Mediation Analysis	32-33
4.9 Method of Data Presentation	33
4.9.1 Presentation of Personal Factors.....	33
4.9.2 Presentation of Research Information.....	33
4.10 Reliability Analysis and Evaluation.....	33-34
4.11 Chapter Summary	34
Chapter – 5 Data Presentation and Data Analysis.....	35-49
5.1 Introduction.....	35
5.2 Analysis of Reliability of the Instruments	35-36

5.3. Analysis of respondents' Personal Characteristics	36-38
5.4 Univariate Analysis05.....	38
5.4.1 Mean and Standard deviation for HRM Practices and its Dimensions.....	39
5.4.2 Mean and Stand deviation for Social Capital and Innovative Performance .	40
5.4.3 Data presentation for the research variables	40
5.5. Data Analysis	40-42
5.6. Correlation Analysis	42-43
5.7. Multiple regression analysis	43-44
5.8 Mediation analysis	44-49
5.9 Chapter Summary	49
Chapter -6 Discussion	50-63
6.1. Introduction.....	50
6.2. Discussion on personal factors.....	50
6.2.1 Participation of the Banks.....	50
6.2.2 Type of Bank.....	50
6.2.3 Designation of the Staff	50-51
6.2.4 Gender of the Staff.....	51
6.2.5 Age of the Staff.....	51
6.2.6 Education Level of the Staff	51
6.2.7 Working Experience of the Staff	51
6.3 Discussion of Research Information	52
6.3.1 Discussion on Univariate Analysis	52
6.3.1.1 Research Objectives.....	52
6.3.1.2.1 Research Objective One.....	52-53

6.3.1.2.2 Research Objective Two	52
6.3.1.2.3 Research Objective Three	52
6.3.2 Discussion on Bivariate Analysis	52
6.3.2.1 Pearson's Correlation Analysis.....	53
6.3.2.1.1 Research Objective Four	53-56
6.3.2.1.2 Research Objective Five:.....	56-58
6.3.2.1.3Research Objective Six.....	58-59
6.3.2.1.4 Research Objective Seven.....	59-61
6.4 Testing Hypotheses	61-63
6.5 Chapter Summary	63
Chapter- 7 Conclusions and Recommendations	64-69
7.1 Chapter Introduction	64
7.2 Conclusion	64-66
7.3 Recommendations.....	66-68
7.4 Limitations of the Study.....	68-69
7.5 Directions for Future Research	69
References.....	70-76
Appendix - 01	
Questionnaire.....	77-80