



**HUMAN CAPITAL IMPACT  
ON ORGANIZATIONAL PERFORMANCE:  
SPECIAL REFERENCE TO THE BANKS IN SRI LANKA**

**W. Heather M. Fernando<sup>1i</sup>,**

**Siti Khalidah Md Yusoff<sup>2</sup>,**

**Ali Khatibi<sup>3</sup>,**

**S. M. Ferdous Azam<sup>4</sup>**

<sup>1</sup>PhD Scholar, Management and Science University,  
Shah Alam, Malaysia,  
Manager-HRM, Commercial Bank of Ceylon PLC,  
Sri Lanka,  
Chartered MCIPM,  
Chartered Institute of Personnel Management,  
Sri Lanka

<sup>2</sup>Dean, Post Graduate Centre (PGC)  
Management & Science University (MSU),  
Shah Alam, Malaysia

<sup>3</sup>Senior Vice President,  
Post Graduate Centre (PGC),  
Management and Science University,  
Shah Alam, Malaysia

<sup>4</sup>Senior Lecturer,  
Management and Science University,  
Shah Alam, Malaysia

**Abstract:**

The concept of Human Capital (HC) recently received attention from scholars. They hypothesize that HC represents human factor with combined intelligence, expertise and skills of individuals. Human Capital Management is considered as an integrated approach to manage and develop human capabilities thus achieve high performance. Human Capital Management Practices (HCMP), provide with specific competencies that are important to excel best performance in the business world; the war for excellence escalates as the key factor to accomplish the top position among competitors. HC holds transferable characteristics across the jobs, firms or industry. HC has a broad meaning that includes self-generating, expandable, transportable and shareable characteristics that closely linked with the individual economic performance.

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<sup>i</sup> Correspondence: email [heather3304@gmail.com](mailto:heather3304@gmail.com)

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## 1. Introduction

Today the businesses do suffer with many complexities (Fernando et. al., 2019). There is a common belief in Sri Lanka (SL) that the banks face ever growing competition, the globalization and technological changes and advancements confronting financial sector in SL (Dharmaratne, 2014). According to Stiles et al., (2011) cited in Nicol-Keita, (2013) highlighted that a large growing body of evidences of positive linkages between HC and Organizational Performance. The success of a bank's is usually relying heavily on Human Capital (Odhong' et al., 2014). Bontis and Fitz-enz (2002) stated that HC is considered as the profit lever.

It was noted that the effective utilization of Human Capital (HC) is important in the business (Sohel-Uz-Zaman, 2019); whereas Samad (2013) cited in Fernando et al., (2019) also highlighted that Human Capital (HC) approaches are much crucial to beat the extreme competition, create high Organizational Performance whereas Pathmaranjan (2004) highlighted that acquiring and utilizing skills enable employees to contribute to Organizational Performance. During the last decade many studies with regard to the evaluation of bank performance particularly the commercial banks have recorded an increased attention to them (Nishantha, 2019). Therefore, this study too amplifies the real importance of Human Capital that impacts on Organizational Performance of Licensed Commercial Banks in Sri Lanka. According to Soheli-Uz-Zaman (2019) it is one of the key elements of HC management to align and link the firm's human capital to the business objectives and those who do not align the firm's HC, will not add any value to its business.

### 1.1 Aim of the Study

The Banking Industry in Sri Lanka (SL) is presently passing through a significant change with digitization challenges, fin-tech approaches and other change customer attitudes (KPMG 2018). It was also to be noted that the profit is a significant requirement to a competitive banking institution to run the business in a period of a growing competition (Nishantha, 2019). According to Pathmaranjan (2004) the "*dynamic market changes create increase competition in financial services and Information Communication Technology (ICT) paved the way for the non-banking organizations to enter the banking sector*". While many studies have investigated the effects of HC leads to competitive advantage and has the ability to create economic values (Coff & Kryscynski, 2011 cited in Boon et al., 2018); the researcher observed that such studies have been carried out in developed countries.

The studies of HC highlights the importance and ability of enhancing the Organizational Performance (OP) and it was found that many companies have achieved their strategic results when HC is efficiently and strategically managed (Becker, Huselid, & Ulrich, 2001; Downes, 2007; Kazlauskaitė, & Buciunienė, 2008 cited in Hossain & Roy 2016).

According to Pathmaranjan (2004) that some of the banks in Sri Lanka need to “*re-design*” their management practices to overcome their business challenges. In addition, it was also noted that the Central Bank of Sri Lanka too emphasized the need of new business models to banks due to the global business transactions and interconnectedness of business transactions (Central Bank Annual Report 2015); Deloitte (2019) highlighted that the organizations should “*reinvent not only to about the tinkering at edges*” but re-orient with organizational re-design. The Central Bank of Sri Lanka, (2016) stated that the economic growth needs a bigger share of trade in goods as well as services, “*investments*” and the “*human capital*”. Therefore, the study objectives were to examine how Leadership Practices, Employee Engagement, Knowledge Accessibility and Organizational Design impact on Organizational Performance.

## 2. Literature Review

### 2.1 Human Capital

HC is defined as the quality of a person that includes knowledge, skill, and qualifications that one acquires through education, training as well as experience (Becker 1993 cited in Perera and Weerakkody, 2018). It is also highlighted as all human abilities that are either innate or acquired (Hossain and Roy, 2016). Human Capital (HC) refers to Knowledge, Skill and Expertise that accumulates by an individual through education and training (Severine and Lila, (2009); Marimuthu et al., (2009); Dae-bong (2009); Malose and Boris (2012); Afiouni (2013); Armstrong (2014); Odhong et al., (2014); Joshi et al., (2015) cited in Odhong and Omolo, 2015). Rastogi (2000: 202) cited by Kulvisaechana (2005) argues that HC (i.e., knowledge, skills and abilities) constitutes the “*ultimate source*” for “*sustainable competitive performance*”. The Human Capital relates to the navigation of bargaining individual dynamics and groups dynamics that may allow the firms to capture and extend economic values through HC interventions (Chadwick, 2017; Coff, 1999; Molloy & Barney, 2015 cited in Boon et. al., 2018).

According to Springer (2002); Marrewijk and Timmers (2003) cited by Nicol-Keita, (2013) HC is positively influence the Organizational Performance. HCM intervention is all about to confirming the potential of people linking to the mission and the strategic objectives of the businesses towards the maximizing the value of the business Sohel-Uz-Zaman (2019). The human element has emerged as major intangible asset of the organizations, the key determinant for the “*sustainable competitive advantage*” (Sohel-Uz-Zaman, 2019). In identifying of HC drivers for high Organizational Performance in License Banks in Sri Lanka, this study is focus on HC drivers such as Leadership Practice, Employee Engagement, Knowledge Accessibility, a model tested by Bassi & McMurrer (2007), Jamal (2008) and Odhong et al., (2014). Organizational Design added as an additional variable to the model tested by Bassi & McMurray as it is recommended by Deloitte (2016) as an important factor for the Organizational Performance.

## 2.2 Leadership Practices

HC interventions focus on maximizing efficiency in organizational context where the leadership practices are recognized as one of the cornerstones that leads to competitive advantage explained by Birasnav et al., (2011); most of the performing organizations empower the networks (Deloitte, 2017). Sirmon et al, (2007) cited in Mahdi and Almsafir (2014) explained that the awoken leadership do manage portfolios of the organizational resources convert to HC capabilities to leverage for competitive advantage; thus, lead to organizational performance. Goleman (2000) defined that the strategies set by the leaders, creates mission, build culture to motivate employees to achieve results. Petric et al., (1999) defined that those organizations embedded with superior leadership skills strategize and create economic values than others who unable to imitate such superior skills. Many scholars have acknowledged that the Leadership inclusiveness, communication and building strong learning culture to achieve business success and it was stated that the skilled leaders implement business strategy and such leaderships influence the Human Capital (Birasnav et al., 2011).

## 2.3 Employee Engagement

Armstrong (2011) explains engagement as the degree of different jobs encouraged and how job holders are led and managed for positive discretionary behaviour therefore the managers should engage and align teams for their primary responsibilities Deloitte (2016); Febriansya (2010) highlighted that the “*engagement*” advocates by those organizations seek their employees to be more productive and create profitable outcomes to the organizations. The engagement in services is a key element to achieve results in the competition (Nimsith et al., 2016). According to Tucker (2018), it is the ultimate expectation of the business leaders to acquire high workforce performance towards business results through optimized workforce. Nicol-Keita (2013) defined that the organizations focus on multi-faceted strategies and to strengthen HCM through “*employee engagement*” with high commitment to create high performance.

## 2.4 Knowledge Accessibility

There are many scholars highlighted that the knowledge is playing a fundamental role in the successful business activities all over the world. According to Jamal and Iqbal (2011) the knowledge economic era the value is locked in the heads of the workforce and the workforce create success to the organizations. Hansen et al, (1999) cited in Armstrong (2011) defined that the *knowledge may consider as an ingredient to achieve business strategy* to win the business competitiveness. According to Rasula et al., (2012) an organization to achieve competitive edge, the knowledge integration is seen as a critical success factor are heavily relies upon the trust, team work, creativity and collaboration among employees. The study conducted by Rasula et al., (2012) found that the knowledge management strategies, initiatives and practices impact on Organizational Performance.

## 2.5 Organizational Design

The focus to lead and transform human resources it is needed re-design capabilities, technologies across the enterprises and the machines do replace the work that is humans carried out as routine; jobs are evolving which requires new combinations of the human skills and the capabilities. Hence, it is a need for the organizations to “re-design” jobs and work processes to keep up pace, pointed out by Deloitte (2019). Lawler and Worley (2011) cited in Mohrman and Lawler (2014) highlighted that to be sustainably effective, the organizations need an agile design that would support the external focus. These functions and practices with re-designs would supplement and complement each other and eventually correspond with the business objectives highlighted by Sohel-Uz-Zaman (2019) and it would be able to take a full advantage of technology, with organizational re-design (Deloitte, 2019). The Organizational Designs may be placed to foster and to focus on sustainable value (Mohrman and Lawler, 2014). According to Bhattacharya (2013) a dynamic model has been developed by R.T. Lenz in year 1981 portrayed the relationship between organization design and performance. The *organizational design process unmistakably a key determinant for the performance of firms* (Ogbo et. al., 2015).

## 2.6 Organizational Performance

According to the study carried out by Crook et al., (2011) Human Capital shapes the performance. HCM impacts on employee behaviours, and in turn translates into Organizational Performance (Nicol-Keita, 2013). The Performance is a multi-dimensional construct that is vary depending on factors (Bates & Holton, 1995 cited in Armstrong, 2012). The improvement or decline in Organizational Performance is directly impact by HC (Bassi & McMurrer, 2007 cited in Emmanuel et al., 2015).

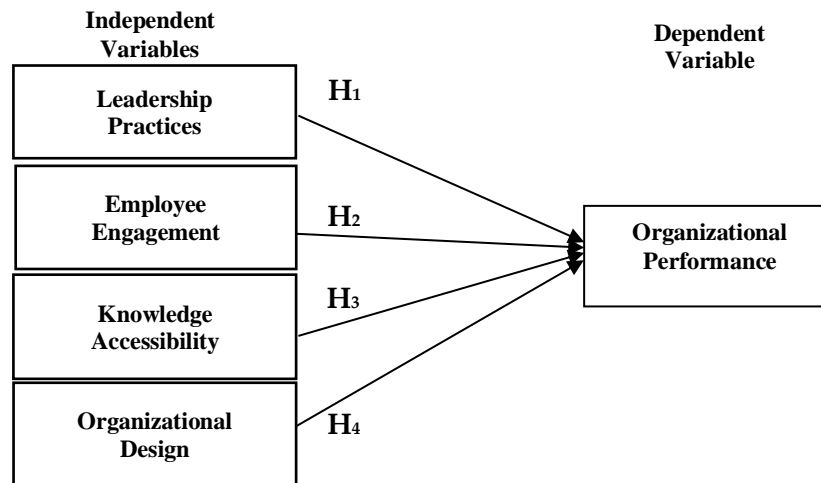
## 3. Research Methodology

The variables were carefully selected to suit the LCBs work environment and created the construct of HC as context Generic Human Capital drivers to measure to uncover the gray areas as to how HC contribute to the Organizational Performance. According to Sekeran and Bougie (2014) the Hypotheses were established with the existing theories and tested in deductive nature conducted a Quantitative Research study. The interference of the researcher was minimal and the “study setting” was “non contrived”. Time Horizon was cross-sectional and the data analysis performed with the primary data.

### 3.1 Conceptual Framework

The Conceptual Framework was adapted identifying HC drivers as independent variables such as Leadership Practices, Employee Engagement, Knowledge Accessibility from the studies carried out by Bassi & McMurrer in year 2007; Jamal and Saif (2011); Odhong et al., (2014) and the dependent variable was identified as Organizational Performance. Organizational Design was identified as a new independent variable to the above tested model according to the study conducted by Deloitte (2016).

**Figure 1: Conceptual Framework and Research Hypotheses**



### 3.2 Population and Sample

The population identified was License Commercial Banks (LCBs) in Sri Lanka and the sample frame was selected as Executives in LCBs. There are around 20,000 Junior Executive Officers and above executive officers of all grades in the banking sector island-wide. According to Sekeran & Bougie (2014) the sample size was selected for the study and expects a total number of participants of 377 where it was found only 327 valid responses for data analysis. The study was conducted with convenience sampling method as done by Jamal (2008) with the knowledge intensive population whereas it was compelled to collect data under convenience sampling method as Banks in Sri Lanka do not share the employee databases with outsiders. It was stated in Dharmaratne (2014) in her study that the banking sector in Sri Lanka do not share any databases with the individuals and Perera (2015) also stated that Banks in Sri Lanka withheld sharing the information with regard to workforce data bases. It was difficult to obtain the data bases of employees from the banks. Therefore, the study carried out using the convenience sampling techniques. The units of Analysis selected as Executives attached to LCBSL. Executive category extended to all executive grades such as Junior Executives, Executives, Senior Executives, Managers, Senior Managers, Branch Managers, Assistant Managers, Chief Managers, Heads of Purviews and Corporate Management members etc., the sample frame is identified as a subset of the population.

### 3.3 Data Collection Method

The unit of analysis selected is individuals of the Executive Grade at LCBs in Sri Lanka. A questionnaire was administered to collect primary data from the respondents in the survey method and this study is designed to conduct as a Quantitative Research. The interference of the researcher to this study would be minimal. Data is collected just once: 'one-shot' i.e. as cross-sectional. To give many options to the respondents to provide their answers, the questionnaire developed with interval scale with a 5-point Likert scale with following anchors: 1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree nor Disagree, 4 = Agree, 5 = Strongly Agree.

### 3.4 Statistical Tool and Techniques

The primary data were analyzed by using IBM Statistical Package for the Social Sciences (SPSS), software package 21.

## 4. Results

### 4.1 Reliability Analysis- Multi - Item Measures

Reliability of the Questionnaire was measured, and all the alpha values were above the rule of thumb of 0.7 for a reliable scale and therefore, it is acceptable that the internal reliability of each item is satisfactory. There were 9 items of each construct, all individual items measurements reached above 0.7 of Cronbach's Alpha values.

**Table 4.1:** Reliability Analysis

Factor	Cronbach's Alpha values	No. of items in construct
Leadership Practice	.899	9
Employee Engagement	.815	9
Knowledge Accessibility	.847	9
Organizational Design	.881	9
Organizational Performance	.838	5

**Table 4.2:** Descriptive Statistics

	Minimum	Maximum	Mean	Std. Deviation	Variance
Leadership Practices	2.67	5.00	4.3816	.54629	.298
Employee Engagement	2.667	5.000	4.29120	.440119	.194
Knowledge Accessibility	2.89	5.00	4.3408	.48050	.231
Organizational Design	3.22	5.00	4.4149	.48486	.235
Organizational Performance	3.40	5.00	4.7896	.32787	.107
Valid N (listwise)					

The Descriptive Statistics were measured in this study such as minimum, maximum, mean, and standard deviation calculated of a sample size of 327 Executives in the population. Descriptive Statistics summarize a given data set, which represented the entire sample of a population.

**Table 4.3:** Correlation Leadership and Organizational Performance

Correlations		Leadership Practices	Organizational Performance
Leadership Practices	Pearson Correlation	1	.554**
	Sig. (2-tailed)		.000
	N	327	327
Organizational Performance	Pearson Correlation	.554**	1
	Sig. (2-tailed)	.000	
	N	327	327

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The correlation value between Leadership Practices and Organizational Performance evaluation is 0.554 (refer Table 4.3). This indicates the strength of association between Leadership Practices and Organizational Performance is high ( $r = 0.554$ ), and that the correlation coefficient is significantly different from zero ( $P < 0.000$ ). Also, it denotes that 55% of the Organizational Performance is explained by Leadership Practices.

**Table 4.4:** Correlation Employee Engagement and Organizational Performance

Correlations		Employee Engagement	Organizational Performance
Employee Engagement	Pearson Correlation	1	.491**
	Sig. (2-tailed)		.000
	N	327	327
Organizational Performance	Pearson Correlation	.491**	1
	Sig. (2-tailed)	.000	
	N	327	327

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The correlation value between Employee Engagement and Organizational Performance evaluation is 0.491 (refer Table 4.4). This indicates the strength of association between Employee Engagement and Organizational Performance is high ( $r = 0.491$ ), and that the correlation coefficient is significantly different from zero ( $P < 0.000$ ). Also, it denotes that 49% of the Organizational Performance is explained by Employee Engagement.

**Table 4.5:** Correlation Knowledge Accessibility and Organizational Performance

Correlations		Knowledge Accessibility	Organizational Performance
Knowledge Accessibility	Pearson Correlation	1	.485**
	Sig. (2-tailed)		.000
	N	327	327
Organizational Performance	Pearson Correlation	.485**	1
	Sig. (2-tailed)	.000	
	N	327	327

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The correlation value between Knowledge Accessibility and Organizational Performance evaluation is 0.485 (refer Table 4.5). This indicates the strength of association between Knowledge Accessibility and Organizational Performance is high ( $r = 0.485$ ), and that the correlation coefficient is significantly different from zero ( $P < 0.000$ ). Also, it denotes that 48% of the Organizational Performance is explained by Knowledge Accessibility.



**Table 4.6:** Correlation Organizational Design and Organizational Performance

Correlations		Organizational Design	Organizational Performance
Organizational Design	Pearson Correlation	1	.585**
	Sig. (2-tailed)		.000
	N	327	327
Organizational Performance	Pearson Correlation	.585**	1
	Sig. (2-tailed)	.000	
	N	327	327

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The correlation value between Organizational Design and Organizational Performance evaluation is 0.585 (refer Table 4.6). This indicates the strength of association between Organizational Design and Organizational Performance is high ( $r = 0.585$ ), and that the correlation coefficient is significantly different from zero ( $P < 0.000$ ). Also, it denotes that 58% of the Organizational Performance is explained by Organizational Design.

**Table 4.7:** Model Summary

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.689 <sup>a</sup>	.474	.468	.23920	1.247

a. Predictors: (Constant), Organizational Design, Employee Engagement, Knowledge Accessibility, Leadership Practices  
b. Dependent Variable: Organizational Performance

Model Summary table provides the R,  $R^2$ , adjusted  $R^2$  and Standard Error of the estimate that can be used to determine the regression of the model fit. The “R” represents the multiple correlation coefficients which is .689 indicates a high degree of correlation. The  $R^2$  column shows the measures how the variability in the outcome as Organizational Performance accounted by the predictor variables such as, Organizational Design, Employee Engagement, Knowledge Accessibility and Leadership Practices. The adjusted  $R^2$  value of .468 indicates how much of the total variation in the dependent variable (Organizational Performance) can be explained by the independent variables (Leadership Practices, Employee Engagement, Knowledge Accessibility and Organizational Design). In this case, 46% of the variation in Organizational Performance can be explained by the independent variables.

Analysis of variance (herein after referred to as ANOVA) analyze the variation in the Y scores. The ANOVA analysis provides the statistical test for the overall model fit in terms of the F ratio. There are two sums of squares introduced in class the regression and residual sums of squares. The variance of the residuals is the value of the mean square error or Mean Square which is 4.155.

**Table 4.8: ANOVA**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.621	4	4.155	72.620	.000 <sup>b</sup>
	Residual	18.424	322	.057		
	Total	35.045	326			
a. Dependent Variable: Organizational Performance						
b. Predictors: (Constant), Organizational Design, Employee Engagement, Knowledge Accessibility, Leadership Practices						

F-statistic is a value resulting from a standard statistical test used in ANOVA and regression analysis to determine if the variances between the means of two populations are significantly different. F test helps to test the hypothesis to identify whether there is a relationship between the independent and dependent variables. The value for the F test for the present data set is 72.620 with a significance value of 0.000, which implies the model is significant.

**Table 4.9: Coefficients**

Coefficients <sup>a</sup>							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	2.212	.157		14.071	.000	1.902	2.521
Leadership Practices	.156	.030	.260	5.219	.000	.097	.215
Employee Engagement	.135	.036	.181	3.775	.000	.065	.206
Knowledge Accessibility	.117	.033	.172	3.558	.000	.052	.182
Organizational Design	.182	.036	.269	5.027	.000	.111	.254
a. Dependent Variable: Organizational Performance							

Table of coefficients provides information pertaining to the significance of individual factors of regression coefficients. Beta expresses the relative importance of each independent variable in standardized terms. The standardized *b* values denote a positive regression of 26% from Leadership Practices, 18% from Employee Engagement, 17% from Knowledge Accessibility and Organizational Design shows 26% with a positive significant value by the predictor to the outcome. The *b* values are positive therefore the outcome represents a positive relationship between the independent and dependent variables.

**Table 4.9: Hypotheses Summary**

No	Hypotheses	Results
H <sub>01</sub>	There is a relationship between Leadership Practices and Organizational Performance.	Supported
H <sub>02</sub>	There is a relationship between Employee Engagement and Organizational Performance.	Supported
H <sub>03</sub>	There is a relationship between Knowledge Accessibility and Organizational Performance.	Supported
H <sub>04</sub>	There is a relationship between Organizational Design and Organizational Performance.	Supported

## 5. Discussion

The objectives of the proposed study were to determine the relationship between independent and dependent variables and how strongly the independent variables such as Leadership Practices, Employee Engagement, Knowledge Accessibility and Organizational Design impact on Organizational Performance at License Commercial Banks in Sri Lanka. The critical literature on Human Capital Management was carried out to understand that several studies were carried out by many academic around the globe similar to this study.

Based on previous research studies, significant positive correlation was hypothesized between Leadership Practices, Employee Engagement, Knowledge Accessibility, Organizational Design and such factors impact on Organizational Performance. The study results revealed that there is a strong relationship between independent and dependent variables and Pearson Bivariate Correlation Coefficient was calculated to measure the Leadership Practices and Organizational Performance recorded a positive correlation values such as  $r = 0.554$  at  $P < 0.001$ . The standardized  $b$  values recorded a positive regression of 26% from Leadership Practices. A similar study was conducted previously by Jamal (2008) the results indicated a significant correlation between Leadership Practices and organizational performance ( $r=0.23, 0.74, p<.01$ ). In addition Sandbakken (2006) cited in Jamal (2008) highlighted that there was a strong positive relationship between the transformational leadership and the organizational performance ( $R=.7$ ; sig. = .000) where the study concluded that there is 50% of organizational performance is explained by (transformational) leadership. ( $R_ = .5$ ; sig. =.000). Further Jamal (2008) elaborated that Wilderam, and Vandenberg, (2000) also recorded the study results leadership style with a significant relation towards firm performance ( $r=0.29, 0.34, p<.05$ ). This empirical study results revealed that the first hypothesis is substantiated.

The data was calculated to measure Pearson Bivariate Correlation Coefficient of Employee Engagement and values recorded as  $r = 0.491$  at  $P < 0.001$ , the standardized  $b$  values recorded a positive regression of 18% from Employee Engagement. According to Jamal (2008) Pearson's correlation indicated a positive significance with correlation ( $r = 0.26, 0.7, p<.01$ ) between the Employees Engagement and the Organizational Performance

in the data sets. This empirical study results revealed that the second hypothesis is substantiated.

The data was calculated to measure Pearson Bivariate Correlation Coefficient of Knowledge Accessibility  $r = 0.485$  at  $P < 0.001$ . The standardized  $b$  values recorded a positive regression of 17% on Knowledge Accessibility. The study conducted by Jamal (2008) stated that the Knowledge Accessibility is related to the Organizational Performance and result indicated a significant positive correlation between the Knowledge Accessibility and the Organizational Performance (OP) ( $p < .01, .05$ ) with the executive data set with ( $r = 0.23, 0.62, p < .01$ ) This empirical study results revealed that the third hypothesis is substantiated.

The data was calculated to measure Pearson Bivariate Correlation Coefficient of Organizational Design  $r = 0.585$  at  $P < 0.001$ ). The standardized  $b$  values recorded a positive regression of 26% on Organizational Design on Organizational Performance. No previous research study on Human Capital has taken Organizational Design as a separate dimension; however Hossain and Roy (2016) conclude their study highlighting that the ultimate role of HR is to improve performance of the organization with improved managerial behavior, quality of decision making with regard to HCM and OD. Colombo et al., (2012) pointed out that recent econometric studies have found that the Organizational Design impacts firms' performance. This empirical study results revealed that the fourth hypothesis is substantiated.

## 6. Conclusion and Recommendations

The study results proved HC drivers such as Leadership Practices, Employee Engagement, Knowledge Accessibility and Organizational Design have a strong impact on OP and the study concludes that;

- There is a positive relationship between Leadership Practices and Organizational Performance.
- There is a positive relationship between Employee Engagement and Organizational Performance.
- There is a positive relationship between Knowledge Accessibility and Organizational Performance.
- There is a positive relationship between Organizational Design and Organizational Performance.

The findings of the study reveal that developing and practicing HC drivers enhance Organizational Performance in LCBs in Sri Lanka and it confirms that to win competition the organizations should value people knowledge, skills and the abilities and move beyond the concept of human resources and to focus the notion of Human Capital. To align with the emerging business challenges and also to win the goals and metrics of the organizations, the LCBs in SL, may ensure that the required capabilities are developed and embedded in the employees to achieve the desired results.

Human Capital is considered as a key business initiative in the present globalised market place and it was evident in this population too. Therefore, LCBs in SL should align with emerging business challenges and to win the goals and metrics that ensure higher Organizational Performance. Therefore, LCBs in Sri Lanka should focus and enhance the Human Capital drivers such as Leadership Practices, Employee Engagement, Knowledge Accessibility and Organizational Design to enhance the Organizational Performance. The study takes a step toward better understanding of the Organizational Design as to how it shapes the performance. For managers the study results leave no doubt that the high organizational performance could be achieved by Human Capital. The results suggest that human capital as one of the key determinants to achieve high Organizational Performance at LCBs in Sri Lanka. As Ulrich and Lake (1991) explains it is evident with the results of the study that both the Managers and Employees build the bridges together with their actions, to achieve Organizational Performance.

### **6.1 Limitation of the Study**

The dearth of the local literature of Human Capital on Organizational Performance in Sri Lanka was a limiting factor. In addition, it was considered as a major fall-back for not having the employee databases for stratified sampling methods. It also noted that replicating this study in a different context could lead to a broader understanding and generalization of the results.

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