

HRM PRACTICES IN INDIAN BANKING SYSTEM-A STUDY

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Abstract

The movement of globalisation has significantly altered the economic circumstances of every country on earth. Additionally, it has allowed for investment and commerce across the nation's borders. This situation has produced enormous Opportunities for employment in the service sector generally and specifically the financial sector. Consequently, how the banking system operates Industry has relied heavily on a skilled labour force. So, the the banks urgently need to implement and enhance HRM procedures. The banks' two biggest problems are risk management and HR management. Since the banking industry places a high priority on HR Practices, effective risk management is impossible without qualified personnel. Whoever develops innovative products, manages risks, the banking industry. Gone are the days when winning the banking industry meant running the best advertisements, having international status, being prestigious, or having the finest offices. To make these things happen, banking would need personnel with certain skills, knowledge, attitudes, and behaviour. A company's ability to succeed depends on how well its human resources are used, which leads to productivity, growth, and development. Despite the prevalence of technology, the banking sector is a labor-intensive one. As a result, banks would not be able to maintain performance unless HRM was given top attention as technology only serves to support human effort and is not a substitute for it. Banks would have to develop a competitive edge by Today's banking industry has significantly evolved from who produces the greatest advertisements to who employs a skilled staff since no significant advancement is possible without effective personnel management. The HR department holds a special and delicate role in the banking sector.

Key Words: -Globalisation, Performance, Growth and Development.

Introduction

Conducting research on HRM practises may assist financial institutions in gaining a deeper comprehension of the ways in which HRM practises influence the overall performance of their organisations. The findings of this study present several methods, policies, processes, and practises that have shown to be effective in the field of human resource management (HRM). In addition to this, it sheds light on the implementation of approaches that "best fit" as a strategic solution for financial organisations such as banks. This research would make it possible for legislators and decision-makers to understand the role that HRM strategies play in the accomplishment of organisational objectives and to give the necessary attention that HRM practises deserve. Specifically, this research would make it possible for legislators and decision-makers to give HRM practises the necessary attention that they deserve. The significance of this study lies, academically speaking, in the fact that it will contribute to previously established theories regarding HRM, serve as a reference for those who are currently conducting research on HRM, and pave the way for others to conduct additional research on the influence of HRM on the performance of organisations. In addition, the significance of this study lies in the fact that it will contribute to previously established theories regarding HRM.

Statement of The Problem

The banking industry is focused on individuals. The workers' demeanour is one of the main factors in choosing a certain bank. Banks have recently seen intense rivalry from their rivals. Therefore, banks are taking careful steps to set themselves apart by building their brand and offering cutting-edge technology-based services. Consumer happiness is essential to the long-term viability of banks. In order to maintain client groups, banks' whole basic business procedures have been centred on achieving consumer expectations. To address this, efficient HRM procedures are required to deliver improved client services. As a result, the growth of HR in banks has been crucial to the delivery of services and the quality of those services. India is a developing economy where there is a demand for capital formation. The issues posed by HRM are extremely important in an environment where banking and industrial management are making rapid advancements and where financial shocks brought on by economic expansion are common; as a result, Exploring the potential applications of HRM has evolved into a major research and inquiry in a pertinent subject. the current investigation has thus been centred on bank HRM Practices.

Review of Literature

In This research, the literature review is essential to acquaint with the research that has already been conducted in the study area to avoid the possibility of unnecessary replication of works and helps to gather valuable knowledge on research techniques. A brief overview of research works carried out in the field of HRM practices in banks and other industries and its consequences have been presented hereunder.

Gianque and Varone (2013) have separated 2 kinds of HRM, known as control products and better HRM practises. They also showed that HRM methods with a greater emphasis on performance were more effective than those with a lower emphasis. Methods of training as well as improvement are also a part of this process, along with hiring new employees as well as revising performance reviews.

Lamba and Choudhary (2013) have revealed that training was positively impacted on the commitment of employees with their organisation.

Loo and Beh (2013) have investigated the connection among strategic human resource management methods and the success of organisations. According to research, the top indicators of a company's performance are its performance reviews, internal communications, strategic HRM coherence throughout the organisation, and career planning.

Abeer Imam et al., (2014) have revealed that there was a positive relationship found between job satisfaction and organisational commitment among employees of the banking sector in Pakistan.

Al-Zahrani and Almazani (2014) studies have shown that there is a favourable correlation between a company's financial success as well as good human resource management practises. These activities include things like HR planning, job titles, pay systems, and performance evaluations.

Michel Zitouni et al., (2011) studies have shown that an effective commitment is positively connected with the growth of competence, the distribution of fair incentives, as well as the exchange of knowledge. A positive correlation was found among information sharing and normative commitment as well as a positive correlation among information sharing and

continuing commitment. Fair reward was also discovered to have a positive correlation with normative commitment.

Zulfqar and Kabir (2011) have discovered that HR procedures have a favourable and statistically significant relationship to the employee performance. It was necessary for banks to realise that HR procedures had an impact on the performance of their workers, which in turn had an impact on the performance of the bank as a whole.

Atteya (2012) has said that the practises of HRM have had a positive impact on the creativity of the organisation, the execution of business strategy, job performance, financial returns, as well as the management of organisational conflict.

Searle and Dietz (2012) have shown that HRM plays an important role in developing the confidence that workers have in the organisation, those findings. On the other hand, a high level of dedication contributed to the growth of trust in management as well as their association with service behaviour.

Tofael (2012) has shown that the PRSB of Bangladesh is not meeting the requirements of its workers in any human resource management area. Employees were least happy with their pay and benefits, next with their opportunities for training and development their jobs itself, the duties and obligations assigned to them, and last with the management style.

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Objectives of The Study

1. To examine the perception of employees towards HRM practices in indian banking system.
2. To study the impact of the HRM practices on the performance of employees in banking system.
3. To study the various componets of HRM practices in banks.

Hypotheses

H01: There is no significant difference in the HRM practices of indian banking system.

H02: There is no significant difference between in the components of HRM practices in indian banking system.

Scope of The Study

This study's main objective is to carry out a thorough examination of the frequency of HRM practises in banks. Both governmental and private sector banks are included by this study. The study's focus is limited to the indian baking system branches. This study focuses on how workers perceive the different HRM practices is related to HR planning, recruiting and selection, onboarding, communication, retention, training and development, motivating, career development, welfare measures, and more. performance evaluation, employer-employee interactions, and supervisory support. As a result, the study investigates how HRM practises affect employee performance.

Research Methodology

The research method is a strategy for approaching the issue scientifically. It outlines the approaches that should be used to carry out the research, from data collection through presentation. It describes the way that theory and research are related, as well as the method used to acquire and analyse the data. The next sections provide a comprehensive discussion of the methods used to conduct the study and produce useful results.

Data Sources

In order to conduct an analysis of a HRM practises used by the Indian banking sector, this research utilised combined primary and secondary sources of data. The key data that was necessary was gathered using a validated questionnaire that was sent to the employees of several banks. The secondary data relating to the region under investigation have been compiled using a wide range of sources, including books, periodicals, journals, papers, online portals, and so on.

Results And Discussions

A bank employes human resource management Practice strategies to keep a steady supply of qualified personnel while avoiding staff shortages or surpluses (Khanka, 2018). It is a crucial financial commitment for any company, since it allows them to continue being productive and profitable. The survey examined how workers felt about HRM Practices processes in indian banking system.of PSBs and PRSBs have been measured through mean scores and the ‘t’ test

HRM Practices in Indian Banking System

Variables	\bar{x}	\bar{x}	‘t’	Sig.
	PSBs	PRSBs		
Manpower Requirements Assessing	1.36	1.68	7.32	.048
Keeping a Report on each employee's ability inventory	1.21	1.46	4.05	.037
Maintaining a report on the man force	0.43	0.60	6.77	.024
Designing compensation strategies	1.05	1.92	6.74	.044
Preparing plans for outsourcing	1.32	1.86	2.69	.031
Calculating employee churn	1.78	1.86	5.42	.029
Making internal mobility plans	1.81	1.93	8.00	.029

The above table “t” test showed that there was a significant difference between PSBs and PRSBs’ HRP practises (p=.05). The average results showed that the PSBs performed significantly better than other organisations in keeping reports on the labour shortage, creating retirement plans, and creating plans for internal mobility. The PRSBs were therefore comparatively better at determining the need for human resources, keeping individual skill inventory reports, maintaining manpower inventory reports, creating compensation plans, creating plans for outsourcing, estimating employee turnover, and aligning HR plans with organisational plans.

Limitations of The Study

Only the PSBs and PRSBs of the indian banking systems the HRM parctices how they are the implement of the subject of this study. Based on the opinions of specialists in this banking sector, the prevalence of HRM practises considered in the current study is quite low. The impact of HRM procedures has been evaluated using the qualitative information gathered from bank workers. As a result, the replies given by the employees may change over time.

Conclusion

According to the findings of the research conducted, there was a noticeable gap between the HRM policies and procedures of PSBs and those used by PRSBs. The

PRSBs had HRM practises that were, on average, superior to those of the PSBs. On the other hand, from the workers' viewpoints, the HRM procedures of both PRSBs and PSBs were quite standard. Consequently, poor levels of staff engagement and retention strategies were seen in both PSBs as well as PRSBs. In terms of human resource management practises, the PSBs need to adopt a strategy that is more logical than that of their rivals.. Therefore, rather of looking at HRM procedures from the employer's perspective, it is important to consider how successful they are for employees. Therefore, frequent HRM practise evaluation would contribute to a more favourable work environment for HR.

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