

HR Practices in Banking Sector : With Special Reference to District Tikamgarh and Niwari

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Abstract

The measurement of competency and efficient use of employees are very important in the present changing global competitive scenario. Banking is the backbone of financial market of any economy. In globalization, competitions among banks have increased in all parameters like human resource, finance, operations, marketing aspects, technology etc. Core competencies have become a key to success in all activities and banking operations have become more complex and it is very crucial to achieve inclusive financial development. The employees in banking sector should be very efficient for smooth function of banking activities.

Competency mapping, as a concept is fairly new to the Indian organizational atmosphere, but as a result of the usefulness of the idea, it's emerging quite quickly as a typical Human Resource Management Practice. Competency mapping can certainly also be done for contract or maybe freelance employees, or even for those seeking work to highlight the particular abilities which would make them invaluable to a prospective employer.

Jhansi is situated in Bundelkhand regions where banking activities have not been channelized properly till now. Banks lack technology, capital and skilled human resources which tends to weak financial activities in particular region. Private banks are also operating their branches in this region very fast and ultimately competition has increased among banks. Therefore competency mapping and employees effectiveness in private banks in India and particularly in urban Jhansi is comparatively a big issue among researchers. This study is an attempt to find out the answer of these important issues.

The present complex and relentless offering environment combined with quick technological changes and globalization has raised a worry: what unmistakable the unrivaled entertainers from the normal or poor entertainers? Competency mapping, as a concept is fairly new to the Indian organizational atmosphere, but as a result of the usefulness of the idea, it's emerging quite quickly as a typical Human Resource Management Practice.

Introduction

Bank sales supervisors have constantly endeavored to comprehend the determinants of good sales performance. Analysts have analyzed numerous conceivable determinants of sales performance. HR supervisors, top administration and best sales entertainers have discovered the appropriate response in single word: Competencies. Abilities are a mix of observable and connected information, aptitudes, dispositions, intentions and attributes required to play out a particular occupation in an effective way. Effective offering of the items and administrations is basic to the accomplishment of organizations in the hyper turbulent environment. The importance of competency identifying and mapping emotional strengths is a large number of companies today purposefully screen personnel to employ individuals with particular competencies. They might have to hire somebody who could be a highly effective time leader or perhaps that has demonstrated excellent effective listening skills. However, they might need somebody that enjoys taking someone or maybe initiative who's great at taking direction. When people should seek brand new jobs, knowing one's competencies are able to provide one a competitive advantage in the job market. The research design utilized as a part of the study is

Descriptive as the study carried out portrays various competencies controlled by bank staff in private bank in urban Jhansi. Primary as well as secondary data have been collected to find the proper answer of research questions. Survey methods have been used to collect the primary data. Secondary data have been collected through journals, books, internet, newspapers, library etc. and have been analyzed with proper statistical tools.

Descriptive research attempts to depict systematically a situation, problem, phenomenon, service or program, or gives information about, or portrays attitudes towards an issue. Moreover, the study also aims to depict the relationship amongst competencies and organizational effectiveness. As the present examination plans to delineate competency mapping of the representatives working private division banks, the private segment bank workers are the example units for the present investigation. Most of the null hypotheses have been rejected in this study at five percent significance level. It means that there is significant difference in all parameters among different banks in urban Jhansi. Therefore it is clear that different attributes and variables affect the banking activities. So for the smooth functioning of banks and its developing competencies, it is required to develop all variables related to employees, technology, operation, HR practices etc in right direction. It is noted that compared to the total scheduled caste and scheduled tribe population, lower number of staff belonging to these castes are working in private sector banks in urban Jhansi region. It is surprising to note that majority of the banking professionals have joined into banking accidentally. It is noted that almost all the banking professionals are experts to work in computerized banking. They feel it convenient to complete the tasks within limited time.

Presently the competition was going on sky high in the banking industry. Merely tough competitors can persist under these prompt changes. Every single bank wished to face this situation and emerge as victorious, but it was not as easy as one could imagine. But this could be possible somewhat if a desire to work all together for transformation was made. Fast moving and complex world of new techniques & skills had forced banks to consider it and to adjust themselves to the changing banking environment. There was a requirement to advance competencies i.e. skill, knowledge and approach among the bank employees to make them more appropriate to the altering circumstances. Since every human being had potential to do remarkable things and to support him to understand, develop and utilize his/her potential, the bank should provide them knowledge and emerging climate as well as prospects. And this was possible only if efficient and effective Human Resource Practices, which would maximize value and minimize cost within the organization should be applied. But there was no single practice to which all organizations should aspire, but to some extent, each firm must have a distinguishing Human Resource Management System that represents core competencies required for the survival and sustainability of that particular organization. Best for one firm may not be best for other. The best technique applied last month may not be best for today. Hence in this present competitive world, management of human resources had been a matter of crucial determination of success for the banking industry. Better management of human resource had been more earnestly felt as a vital, in recent decade as before. Thus, with a view of the inevitability of Human Resource in the banking sector, the aim of this study was to examine HRM Practices followed by public & private sector banks & to provide some suggestions.

Review of Literature

Mr. Venkata studied, the importance of standard Human resource management system in the Indian Banking industry for survival and growth in the present competitive world. He further noted that, how designing the HR policy plays an important role in the development of the Indian Bank. Mittal, Gupta and Mottiani, examined the link between HRM practices and customer satisfaction levels among Indian private banks. Data was collected from 203 employees

in private banks. The results of the research concluded that various HRM practices have a significant and positive impact on customer satisfaction Jha and Mishra ,studied the impact of HRM practices on performance of employees in Indian banking industry. The authors concluded that various remedial HRM measures can be taken to improve the employee performance in banks. The measures suggested include staff meetings, brain storming sessions, study circles and quality circles. Sangwan has mentioned in his research article that ‘Human Resource Management in Banks are the most important element for the progress of banking. Though technology can replace manual intervention, the thinking process is the exclusive preserve of human beings. With changing times and technology, banks would require employees with special skills in the areas of risk management, product development, customer relationship management and IT services. The technology can improve speed and quality of performance, but at the same time it can also unleash the risk factor.

Scope of the Study

The HRM is a growing concept. It has tremendous relevance to service sector like banking. Human input is the single largest input that goes in the banking industry. The level of efficiency/production of this input gets reflected in the quality of service offered by banks to its customers, as also in its ultimate growth, productivity and profitability. Hence, the banks today lay great stress on HRM functions.

Research Method

Information had been sourced from books, articles, various websites & various research. This research paper was based on secondary data for finalization of views and opinions. It was an exploratory research to conclude the output of bank employees.

Objectives of the Study

The objectives of the present study as follows :

- To identify the relationship between the working conditions and job satisfaction
- To identify the relationship between the nature of activity and job satisfaction

Hypothesis

The following hypothesis were framed and tested in view of the research objectives

1. Ho:-There is no significant relationship between the working Conditions and job satisfaction.
H1:-There is significant relationship between working Conditions and job satisfaction.
2. Ho:-There is no significant relationship between the nature of activity and job satisfaction.
H2:-there is significant relationship between the nature of activity and job satisfaction

Data Interpretation and Data Analysis

For this study we are using 5 chi-square test because there are very dependent and independent variables. Now on the basis of Research Objective we have to make null hypothesis for the objective one Hypothesis 1

Results and Analysis

Human Resource in Banking Industry

The banking industry is the backbone for the growth of any economy. The banking industry is an important component of the financial sector for proper management of financial resources across the globe (Ahmad Ashfaq et al 2010). It is reckoned as a hub and barometer of the financial system in a country. Banking sector plays a pivotal role in the economic development of the country and is among the oldest sectors of the country. India is an emerging economic power with a very large pool of human and natural resources, and a growing large pool of skilled professionals. Indian Banking Sector is most developed, organized and diversified sector. This sector is an important tool for facilitating the development of Indian Economy.

Human Resource Management Practices

The real problem of running a bank successfully and viable is that skilled manpower is in short supply. This point of view that HR resources are becoming scarce; both in quality and quantity is not acceptable. It is a basic issue that any resource that is in short supply needs to be properly managed for the benefit of society and, therefore, banks need to pay attention to the entire Human Resource Management process. The entire spectrum of HRM practices requires revolutionary changes if the banks have to survive. Managing the people is a key challenge before the bank managements. Commercial banks in India are expected to take necessary steps in such a way that their employees should feel that recruitment, selection, training and development and compensation have become essential to enhance their productivity and satisfaction.

Human Resource Management System

A human resources management system (HRMS) or human resources information system (HRIS) or human capital management (HCM) is a form of human resources (HR) software that combines a number of systems and processes to ensure the easy management of human resources, business processes and data. Human resources software is used by businesses to combine a number of necessary HR functions, such as storing employee data, managing payroll, recruitment, benefits administration, time and attendance, employee performance management, and tracking competency and training records. A human resources management system ensures everyday human resources processes are manageable and easy to access. It merges human resources as a discipline and, in particular, its basic HR activities and processes with the information technology field, whereas the programming of data processing systems evolved into standardized routines and packages of enterprise resource planning (ERP) software. On the whole, these ERP systems have their origin from software that integrates information from different applications into one universal database. The linkage of its financial and human resource modules through one database is the most important distinction to the individually and proprietarily developed predecessors, which makes this software application both rigid and flexible.

Human resource information systems provide a means of acquiring, storing, analyzing and distributing information to various stakeholders. The wave of technological advancement has revolutionized each and every space of life today, and this includes HR. Early systems were narrow in scope, typically focused on a single task, such as improving the payroll process or tracking employees' work hours. Today's systems cover the full spectrum of tasks associated with human resources departments, including tracking and improving process efficiency, managing organizational hierarchy, tracking absence and annual leave, simplifying financial transactions, and providing reports on people data. In short, as the role of human resources departments expanded in complexity, HR technology systems evolved to fit these needs.

HR executives rely on internal or external IT professionals to develop and maintain an integrated HRMS. Before client-server architectures evolved in the late 1980s, many HR automation processes were relegated to mainframe computers that could handle large amounts of data transactions. In consequence of the high capital investment necessary to buy or program proprietary software, these internally developed HRMS were limited to organizations that possessed a large amount of capital. The advent of client-server, application service provider, and software as a service (SaaS) or human resource management systems enabled higher administrative control of such systems. Currently, human resource management systems tend to encompass:

1. Retaining staff
2. Hiring
3. Onboarding & Offboarding
4. Administration
5. Managing payroll
6. Tracking and Managing employee benefits
7. HR planning
8. Recruiting/Learning management
9. Performance management and appraisals
10. Employee self-service
11. Scheduling and rota management
12. Absence management
13. Leave management
14. Reporting and analytics
15. Employee reassignment
16. Grievance handling by following precedents

The payroll module automates the pay process by gathering data on employee time and attendance, calculating various deductions and taxes, and generating periodic pay cheques and employee tax reports. Data is generally fed from human resources and timekeeping modules to calculate automatic deposit and manual cheque writing capabilities. This module can encompass all employee-related transactions as well as integrate with existing financial management systems. The time and attendance module gathers standardized time and work related efforts. The most advanced modules provide broad flexibility in data collection methods, labor distribution capabilities and data analysis features. Cost analysis and efficiency metrics are the primary functions.

The HR management module is a component covering many other HR aspects from application to retirement. The system records basic demographic and address data, selection, training and development, capabilities and skills management, compensation planning records and other related activities. Leading edge systems provide the ability to "read" applications and enter relevant data to applicable database fields, notify employers and provide position management and position control. Human resource management function involves the recruitment, placement, evaluation, compensation, and development of the employees of an organization. Initially, businesses used computer-based information systems to: produce paychecks and payroll reports; maintain personnel records; pursue talent management.

Online recruiting has become one of the primary methods employed by HR departments to garner potential candidates for available positions within an organization. Talent management systems, or recruitment modules, offer an integrated hiring solution for HRMS which typically encompass: analyzing personnel usage within an organization; identifying potential applicants; recruiting through company-facing listings; recruiting through online recruiting sites or publications that market to both recruiters and applicants; analytics within the hiring process (time to hire, source of hire, turnover); compliance management to ensure job ads and candidate onboarding follows government regulations.

Conclusion

The success of banks largely depends on the intellectual development of the employees. Effective organization depends on having the right system of HR policies and practices in order to recruit, select develop, appraise, and compensate, promote or send away the employees. The Banking Industry has now entered in an era of post liberalization competitiveness requiring a fresh look at the management structure at the apex levels in terms

of strategic intent to be reflected in well articulated organizational vision, mission, and objectives. Taking the banking industry to the heights of excellence, especially in the face of the a forehead-detailed emerging realities, will require a combination of new technologies, better processes of credit and risk appraisal, treasury management, product diversification, internal control and external regulations and, not the least, human resources. To conclude that Banks, is however bringing in innovations in their marketing and customer relation strategies by way of formulating different products and technology based delivery systems. To conclude, without such Human Resource Practices, Banking Organizations would not be able to deliver increasing expectations of globalized customers.

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