

“HR PRACTICES IN BANKS: A CASE STUDY OF PUBLIC SECTOR BANKS IN PUNE.”

Dr. Preeti Sharma

Director Trinity Institute of Management and Research, Pune, India

Dr. Kirti Dang Longani

Associate Professor, D Y Patil School of Management, Lohegaon, Pune, India

ABSTRACT –

Banking system in India is a labor-intensive sector and the efficiency and productivity of bank employees have abating on the quality of services rendered by them. Therefore, human resources development and management are the most significant activities in the banking sector also. The present study has been conducted with view to the major HR practices that are usually implemented in the banks, and to understand the various issues related to the HR practices adopted by the banks. This study is also focused on the development programs such as training and education, orientation of Information Technology etc. For the study purpose case study method and interview method has been followed to collect information from the HR officials of Bank of Maharashtra, Bank of Baroda, Canara bank, Central Bank of India, and UCO Bank functioning in Pune city.

Key words – Bank HR practices, Public sector banks, Issues in HR activities,

i) INTRODUCTION –

Effective HR practices are playing an important role in accomplishing the objectives and goals of an organization good and effective HR practices are beneficial to the employees and organization. It assures a significant part in the development process of the organization considering the importance of HR practices. It is comprehended that the HR practices did not coordinate parting business enlistment to employees today in the globalization and liberalization era. The Indian public sector banks are facing various opportunities and bright future circumstances because of drastic advancements in information Technology and Communication, the Indian public sector banking has undergone a drastic transformation, which reflects a number of current reform processes. The Indian public sector banks are suffering from the issue of staffing which is adversely affected the competency of the HR practices, particularly in recruitment training and education, placement and promotion policies etc. Therefore one major concern for public sector banks is how to remove legacies of the past and overcome the various challenges of today's, globalized era. In some public sector banks, there is still followed the traditional form of day-to-day activities in spite of changes in products and the methods of rendering services, which are responsible to create mismatches between different levels of strategies and problems /issues related to HR management. Therefore it would be interesting to study, how the Indian public sector banks can create synergistic efforts by aligning their HR practices with their Strategic requirement. In this context, the present study focuses on the major HR practices in the public sector banks which are followed efforts commonly in any banks.

ii)LITERATURE REVIEW –

1) B. Mathivanan (2015) has studied the multiverses activities of HR management and their role in achieving the goals and objectives of the bank. Through the study, author has focused on the prevailing HR practices and management tasks. The author has attempted to assess how will HRM tasks are performed in the motivational factors that informing on the bank employees, and discussed the effectiveness of having programmers, performance appraisal etc. in public sector banks.

2) Pratibha kumari (2019) Has discussed the HRM practices in public sector banks with the thought of five critical markers of managing an account segment such work investigation, enlistment and determination, preparing and improvement, execution and evaluation and pay according to the author due to some major problems and issues, there is a requirement of a strong transformation in the HR practices such as – recruitment training placement and promotional policies etc. In the opinion of the author, the transformation in these practices will help to remove legacies the past and meet the demand and challenges of new era.

3) Shalini Shukla (2015) has presented many imperatives fir HR professional authorities and researchers about the HR practices in public sector banks. Through the study author has attempted to identify the various existing miss-match between HRM strategies, environmental moves goals and objectives of rendering good services deliver the best value to their customers and keep stable bank's position in today's competitive market author has also disused on the varies HRM challenges in public sector banks apart from this author has focused on the Necessary HR Policies and practices in public sector banks.

4) F. Talukdar and Y. Mahasin (2014) have attempted to explore the extent of HRM practices in the permanent public sector banks. Through the study, authors have examined the usefully HR activities like recruitment job analysis performance appraisal promotion scheme training programmers etc. Through the study authors have observed that the effective HR practices are lead to positive organizational outcomes. Through the study authors have discussed on the major HR management issues related to selection and recruitment job analysis, salaries etc. and focused on the training programmers for bank staff management and development etc.

iii)IMPORTANCE OF THE STUDY –

HR management has tremendous relevance to the banking sector; HR activities are the single largest input that goes in the banking sector today. The level of employee efficiency and productivity gets reflected by these inputs. It has also impacted on the quality of services rendered by the bank staff to the customers, and also impacted on bank's growth and profitability. Therefore it is very important to study the various aspects of HRM in banking sector.

iv)OBJECTIVES OF STUDY –

Considering the importance of the study the following objectives have been formulated.

- 1) To explore the major usual HR practices in the selected Indian public sector banks.
- 2) To understand the major HR development activities in the public sector banks.

3) To highlight on the issues related to the various HR practices.

v) SCOPE OF THE STUDY –

The scope of present study confined to the study of HR practices such as recruitment and selection, job analysis, performance appraisal, compensation payment, human resource planning, human resource development and issues in HR management activity carried out in public sector banks namely Bank of Maharashtra, Bank of Baroda, UCO Bank, Central bank of India and Canara Bank in Pune city.

v) RESEARCH METHODOLOGY –

This study is based on the detailed interview and discussions with HR officials of 5 selected public sector banks. For the study, an exploratory research methodology has been followed for probing the knowledge and information about HR practices in public sector banks. A case study method has been used to unveil the complex issues related to the HR strategy and HR management process.

vii) SOURCES OF DATA COLLECTION -

For the study purpose, the secondary and primary information has been collected through discussions with HR officials, HR experts, study papers, articles, etc. published in the national and international journals, periodicals, magazines etc.

viii) DATA ANALYSIS AND DISCUSSION

1) Recruitment and selection

It is observed all the selected banks follow a systematic and robust procedure in the recruitment and selection of staff. The following table shows the various procedural steps in recruitment and selection involved in selected banks.

Table No. 1(A)

Recruitment and selection activity

Particulars	Frequency	Percentage
Completion of application form	02	40 %
Employment Test	04	80%
Comprehensive Interview	05	100%
Written test, viva, etc.	04	80%

It is observed that in majority of the banks (80 %) Employment test and written test and comprehensive interview (100 %) are followed as steps for selection and recruitment of the staff. In all the selected public sector banks selection and recruitment is always as per formal process.

2) Job Analysis - Job Analysis activity is concerned with collecting information about the characteristics of a job using one of the many method such as – Observation, interviewing, group

interviewing of employees, position analysis, questionnaire etc. Job analysis is the process of studying information pertaining to the operations and responsibility of a specific job. The following table indicates the various methods followed by the selected banks.

Table No. 1 (B)

Job Analysis (methods)

Particulars	Frequency	Percentage
Technical conference	02	40%
Observation	05	100%
Functional Job analysis	04	80%
Individual interview	05	100%
Group Interview	01	20%
Position analysis questionnaire	03	60%

The above table shows that 40% banks followed the Technical conference method for job analysis. 100% banks have applied observation and individual interview methods as techniques of job analysis. 80 % and 60 % banks have followed functional job analysis and position analysis questionnaire methods respectively. only 20 % banks have followed group interview method for job analysis.

3) Performance Appraisal –

Performance appraisal is a systematic evaluation of present potential capabilities of employees by their superiors or professional team from outside. It is a process of estimating or judging the value excellent qualities or status of an employee. This process is related to collecting, analyzing and evaluating the data pertaining to the job behavior of the employees. The following table indicates the reasons of implementing the performance appraisal process in the selected banks.

Table No.1 (C)

Performance appraisal (reassures)

Particulars	Frequency	Percentage
To estimate the overall effectiveness	05	100 %
To determine employees responsibilities	03	60 %
To identify future needs of training and development	04	80 %
To determine readiness for promotion	02	40 %
To identify strength and weaknesses of employees	05	100 %

The above table shows that 100 % banks are implementing performance appraisal process to estimate the overall effectiveness of employees in performing their jobs and to identify the strengths and weaknesses in the job knowledge and skills. In 60 % banks it is followed to determine employee's responsibilities and also to determine whether the employee responsibilities can be expanded. In 80 % banks performance appraisal process is implemented with a view to identify the future needs of training and development programs and in 40 % banks it is implemented to determine the readiness of the employee for promotion. It is found that almost all the public sector banks in India provide more attention towards performance appraisal.

4) Compensation –

Compensation is one of the many HR activities that banks use to manage their employees. For any bank or an organization to receive its money's worth and to motivate and retain the skilled employees, it needs to ensure that its compensation system is not an island by itself. To be successful in this area banks do regular planning and evaluation of their compensation policies and packages. The following table shows the varied forms of compensation in the selected public sector banks.

Table No 1 (D)

Compensation pay

Particulars	Frequency	Percentage
Scale up graduation	05	100 %
Special increments	03	60 %
Skill – based	03	60 %
Merit based	02	40 %

In 100 % banks monetary compensation is in the form of scale up gradation. 60 % banks it is in the form of special increment and skill based form which is a reward plan that is implemented to pay employees on the basis of their work related skills. In 40 % banks employee's compensation is in the form of merit based which consists of an increase in base pay and generally granted once in a year based on supervisory ratings of employee's performance.

5) Manpower planning -

Manpower planning is essential in banks because banks are service-providing organizations. It is the process that identifies current and future human resources need for an organization to achieve goals and objectives. It involves business forecasting of future demand of employees based on its business needs and subsequently developing the HR planning strategies essential to meet the bank's employee requirements. The following table shows the various objectives of human resource planning activity in the selected public sector banks.

Table No. 1 (E)

Human Resource planning (Objectives)

Particulars	Frequency	Percentage
To cope – up with changing economic conditions	05	100 %
To utilize existing HR productivity	05	100 %
To promote employees	03	60 %
To create reservoir of talent	04	80 %
To forecast HR requirement	05	100 %

The major objectives of human resource planning in 100 % banks are to cope up with changing conditions in market, changes in economy and technologies, products, regulations and policies of government and to utilize the existing human resources at optimum level. To promote employees in a systematic manner is also one of the major objectives of the selected banks.

In the 80 % banks to create reservoir of talent planning. The need for man power planning in banks arises mostly because of the fact that banks have to survive, operate and grow in highly competitive market economies where the change is the order of the day.

6) Human Resource development

As an important functional area of HR management, human resource development has traditional functions like training and development, organizational development and career development. Banking sector is related with knowledge and information based functions. Therefore, training and development activates are essential to enrich employee career and excel their development. The following table shows the various human resource development programmers that implemented in the selected public sector banks.

Table NO 2
Human Resource development programmers in public sector banks.

Particulars	Frequency	Percentage
Training and development	05	100 %
Organizational development	04	80 %
Orientation of information technology	05	100 %
Career development	03	60 %
Capacity building	05	100 %
Employee orientation	05	100 %

On the basis of collected information it is observed that almost in all the selected public sector banks (100 %) preference is given to the training and development orientation and capacity building of employees, while in 80 % banks, preference is also given to the organizational development. In 60 % banks preference is given to the career development programmes for newly joined and old employees. Selection of right staff, development of staff, salary inflation, rapid changes in technology are some of the major issues related with the HR Practices in public sector banks. The following table show the various issues faced by HR department in these banks.

Table No. 3

Issues in HR management activities in public sector banks

Particulars	Frequency	Percentage
Man power planning	05	100 %
Talent management	03	60 %
Improper HR policy of bank	03	60 %
Lack of Innovative approach to performance management	02	40 %
Training and development	01	20 %
Lack of ICT literate staff	02	40 %

On the basis of collected information, it is observed that almost all the banks are facing issues related to the HR practices. 100 % banks are facing issues related to the man power planning activity and this is the extremely problematic issue in the banks. In the 60 % banks, issues related to the talent management, implementation of HR polices are the major problems. In the selected public sector banks lack of innovative approach and lack of ICT literate staff are also some of the major problems. In 20 % banks there are issues pertaining to the training and development programmes.

IX) FINDINGS OF THE STUDY –

- 1) On the basis of information provided by the HR officials of the selected five public sector banks it is found that, the HR activities implemented in these banks are almost same in nature, functions, HRD programs and employing human resources.
- 2) It is observed that the comprehensive interview method is implemented in all the banks for the purpose of recruitment and selection of staff. Apart from this employment test and viva presentation are also followed for the selection and recruitment.
- 3) For the purpose of job analysis, observation and individual interview methods are followed in all the selected banks. Functional job analysis method is also followed in majority of the banks.
- 4) For the purpose of performance appraisal almost all the banks are estimating the overall effectiveness of the employees. To identify the future needs of training and development programmers and to identify the strength and weaknesses of employees are the major objectives of the performance appraisal activity in all the banks.
- 5) As per the information provided by the HR officials, it is observed that in almost all the selected public sector banks, the method like scale up-gradation, skills and merit-based compensation etc. are followed for the payment of compensation to the employees. It is also found that monetary compensation is based on the supervisory ratings of employee performance and efficiency.
- 6) It is observed that human resource planning is also one of the major HR practices in all the banks. To make employees able to cope up with the changing economic conditions, optimum utilization of existing man power, create reservoir of talent are some of the major objectives of HR

planning activity in all the selected banks. It is also found that, with a view to meet the future needs of human resources and to permit employees all the banks are giving more importance to the HR planning activity.

7) As per the information provided by the HR officials it is found that in almost all the selected banks, HRD programmes are the major and important area in the HR activities. In majority of the banks, the training and development programs, talent management, career development, IT orientation programmes etc. are some of the main HRD functions. It is found that all the banks organized various types of HRD programmes that are based on the needs of the employees and their need are identify through the need assessment process.

8) According to the collected information and on the basis of oral discussion with HR officials it is observed that, there are several challenges and issues raised in the effective implementation of HR activities. These issues are mainly related to the man power planning, talent management, training and development programmes and issues in the adoption of innovative approach to performance management. The other problems related with the HR policies and lack of ICT literate staff, exist in almost all the banks.

x) CONCLUSION –

The achievement of banks to a great extent relies on the effective implementation of HR activities, and scholarly advancement of employees. Apart from this, specialized framework of the bank must be guaranteed to upgrade the adequacy of the employees and banks. The surveyed public sector banks should decentralize their HR practices in all the branches and should to make an effort for developing strong HR policies suitable to the need of the branches located in different locations. There should be suitable distribution of authority and responsibility to the HR management official's. Proper implementation of HR activities will help to recruit and maintain solid and knowledgeable and well efficient human resources to meet current and future needs of manpower in banking sector.

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