

## A STUDY ON HR PRACTICES IN PRIVATE BANKING SECTOR

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### Abstract

Human Resources are one of the most valuable and assets of an organization. According to Lenonnon C. Megginson, the term human resource refers to "the total knowledge, skills, creative abilities, talents and aptitudes of an organization's workforce, as well as the values attitudes and benefits of the individuals involved." Management as a process involves planning, organizing, staffing, leading and controlling activities that facilitate the achievement of an organization's objectives. All these activities are accomplished through efficient utilization of physical and financial resources by the company's human resources. Human Resources Management is one of the most complex a challenging fields of modern management. It builds up an effective workforce, handles the expectations of the employee ensure that they perform at their best. It has to take in to an account the firm's responsibilities to the society that it operates in.

**Keywords** - Values, attitudes, knowledge, staffing, leadership, training & development

### Introduction

[6],[11] Human Resource Management encompasses those activities designed to provide and co-ordinate the human resources of an organization. Man is the most valuable resource which appreciates with time if right environment is given to him and hence termed as Human Resource. Human Resource consists of those groups of people who are ready to provide their services for the benefit of the organisation.

[10],[13] According to Ivancevich and Glueck, "Human resources management is the function performed in organization that facilities the most effective use of people to achieve organizational and individual goals." Human resources may be defined as a process for systematic expansion of people's related abilities and skills focused the attainment of both organizational and professional goals.

[1] The Total Knowledge, skills, creative, abilities talents and aptitude of an organizations work force as well as the values, attitudes and beliefs of the individuals involved."

[3],[5] Human resource management is process by which the employee of an organization are helped in continuous and planned ways, to acquire or sharpen capabilities required to perform various function associated with their present or expected future roles develop their general capabilities as individuals and discover and exploit their own inner potentials for their own and organizational development purpose develop an organizational culture in which superior – subordinate relationships, team work and collaboration among sub-units are strong contribute to the

professional well-being motivation and pride of the employee.

### Human Resource Management Practices

"Human resource management practices" means the actual practices covering the service conditions of workers, including conventional personnel management practices, which are implemented in the private companies.

### Employees

[14] "Employees" refer to people working in the private companies in Tamilnadu either on permanent or on seasonal basis. It includes Officers, supervisors and workmen.

### Employees' Satisfaction

[2],[16] "Satisfaction" denotes a set of attitudes to a particular thing. Thus, the term satisfaction for the purpose of the study connotes the attitude of the employees of the private sugar mills towards their treatment by the superiors.

### Workmen

[4] "Workmen" refers to people working in the private companies on regular or seasonal basis and drawing the salaries as per the Wage Board Settlement of Industries. Workmen include highly skilled, skilled-A, skilled-B, semi- skilled and unskilled workers.

### Officers

"Officer" means an employee who was appointed

prior to June 1999 and who is drawing salary as per the norms of the State Government.

### Statement of the Problem

[7],[9] The Human Resource Management System will address the Automation of the Performance of the Employees as regard to what is monitored on them. Their performance would be according to the qualities of what they are working. On the present situation, the performance of the employees were poorly evaluated and monitored before, during and after every period of their jobs. Although HR departments would evaluate them, it is a very ideal thing for them to accomplish every evaluation of employees regularly to update their performance and their quality of work.

[12,20] Another thing is many companies on our days have conflict on giving their employees rightful bonuses on the hard works they produce for the welfare of the company, so the system would like to make a possible solution to this by the evaluation of the automation of the performance ratings of the employees, their bonuses would depend on their performance rate as what would be stated according to what would be their ratings in their automated performance rating in the system. [8] The basis of their salary bonuses whenever an employee have a high rating performance, he/ she could get bonuses on certain occasions as given by higher authorities of the company. In line with this, their automated performance rating could also be used if an employee is subject for a promotion. This would certainly based their nomination from what the HR Department would post about their performance. The higher the rating of the performance, the higher possibility that certain employee would be enlist first for a promotion that, of course, would be from the higher management of the company.

### Objectives of the Study

- To identify and analyze the existing human resource management practices.
- To examine the different dimensions of human resource management practices.
- To suggest appropriate measures to enhance the human resource development.

### Limitations of the Study

- The study size is confined to 120 respondents due to time constraints so an extensive research could not be undertaken.

- Analysis is done on the assumption that respondent has given correct information through questionnaire.

### Review of Literature

A study conducted by Eysneck, Sekaran and Uma, (1989) "Paths to Job Satisfaction of Bank Employees", suggested that personal, job and organisational climate factors influenced the job involvement of people in their jobs. This, in turn, influenced the intra psychic reward of a sense of competence that they experienced, which then directly influenced the job satisfaction of the employees. Managers could help employees by increasing challenges in the job, offering risk support, and praising them.

A study on 250 officers and 250 clerical cadres belonging to a Nationalised Bank in the Western Zone conducted by Singh, Etzioni, and Prestonjee (1990) found that the job satisfaction of bank employees was affected positively by occupational level, job involvement and participation. The interactional effect of job involvement and participation was found to be significant.

Sharma (1991) has made an attempt to study the job satisfaction among bank employees by studying six leading banks in India. The factors selected for the analysis were college education, monthly emoluments, work technology and type of supervision. The study indicated that banks with a higher proportion of college graduates among their clerical employees do not seem to be blessed with a more satisfied work force. Instead, the level of job satisfaction in such banks was lower than in other banks. This study also showed that in banks where clerical jobs provide least challenge and discretion or give fewer opportunities to use one's own ideas and abilities job satisfaction was relatively lower.

Akhilesh and Mary Matthew, (1991) in their study "A Study of Bank Jobs in Relation to Work Motivation, Job and Work Involvement" made an in-depth analysis of employees' perceptions about the job and the relationship of job characteristics to the desired work behaviour by selecting a sample of 114 non-nationalised bank employees consisting of both officers and clerks. They found that among the officers, work motivation could be improved through increasing job authority and accountability. At the clerical level, rewards and sanctions were significantly associated with job involvement.

[18] Narender Kumar and Jain (1991) conducted a survey of motivational techniques, which were used by bank executives in the state of Haryana. The analysis showed that "Praise for good work" was the most popular technique used by bank executives. Informal discussions

on bank problems with staff members were identified as a popular measure. Techniques like caring for the personal problems of staff members, the co-operative attitude of officers, a letter of appreciation, persuasion and request are also widely used in banks. Among moderately used techniques are staff meetings, family visits, and difference of treatment and mutual understanding with staff.

Steel and Brant (1991) in their study entitled "Job Satisfaction" found that the employees in the public sector were found to have higher levels of job satisfaction when compared with their private sector counterparts. The public sector employees had higher level of education, higher work aspirations, and longer terms of employment than a comparable sample of private sector employees.

[17] Hogan, Dhar and Rajnish (1992) analysed "Job Involvement, Job Satisfaction and Some Demographic Correlates: A Study of Academicians". The study showed that among the various demographic variables age has no direct impact on job satisfaction of employees.

[15,19] The study by Jex sm Blessie, T.R. Rajeswari, (1992) "Employee Stress – A Study with Reference to Bank Employees", identified the stress situation of bank employees and their perceived reactions to such situations. It identified structural rigidity, poor physical working conditions and extra-organisational factors to be potent stressors, inducing stress in bank employees.

Schneider et al., (1993) in their study "A Comparison of Job Satisfaction between Public and Private Sector Managers" found that there was a significant difference between the public and private sector employees with regard to pay satisfaction.

### Research Methodology

Research Methodology is a search of knowledge through objectives and systematic method of finding solutions to a problem.

### Research Design

Research design is a set of procedures that guide the gathering of research data. A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with the economy in procedure. Research design differs depending on the research purpose.

In this study, the researcher used descriptive research design. The descriptive studies are the ones that aim at describing accurately the characteristics of a group, community or people. Here researcher conducted the

study among a particular group of people and so the researcher selected the descriptive research design.

### Sample Design and Data Collection Method

The population size is 340, sampling frame of the study consist of 120 employees. Sampling Frame is the subset of defined target population, from which the sample can be selected realistically for the research. The sample size for this research is 200. In this study, the researcher adopted a convenience sampling technique where the respondents been selected based on easy availability. Primary data collection, the researcher used a well-structured questionnaire. Secondary data collected consists of information from the several books, journals and internet.

### Statistical Tools Used

**The analysis is carried out using SPSS tool where the variables that are to be tested for independence is entered and results are identified. The various tests are done by using SPSS package.**

#### Chi square test

Chi-Square Test is an important test among the several tests of significance. Chi-Square is symbolically written as  $\chi^2$  (pronounced as Ki Square). It is a statistical measure used in the context of sampling analysis for comparing a variance to a theoretical variance.

Chi square test enables to explain whether or not two attributes are associated. Chi-square is calculated as follows,

$$\chi^2 = \sum \frac{(o_{ij} - E_{ij})^2}{E_{ij}}$$

$O_{ij}$  = observed No of Respondents of the cell in the  $i^{\text{th}}$  row and  $j^{\text{th}}$  column.

$E_{ij}$  = expected No of Respondents of the cell in the  $i^{\text{th}}$  row and  $j^{\text{th}}$  column.

$n$  = number of paired items

#### Chi Square Test Analysis-1

To find the significant difference between Educational level of the respondents and satisfaction about employees loyalty to the organization and its smooth functioning.

#### Hypothesis

$H_0$  = There is no significant difference between Educational level of the respondents and satisfaction about employees loyalty to the organization and its smooth functioning

H1= There is significant difference between Educational level of the respondents and satisfaction about employees loyalty to the organization and its smooth functioning

**Educational Level \*Satisfaction about Employees Loyalty to the Organization and Its Smooth Functioning**

		Satisfaction about Employees loyalty to the organization and its smooth functioning					Total
		Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied	
Educational level	School Level	10	8	5	5	4	32
	Diploma Level	5	2	14	14	6	41
	UG	7	9	5	4	1	26
	PG	1	2	8	2	5	18
	Others	9	4	0	0	0	13
Total		32	25	32	25	16	130

Level of Significant =5%

Degree of freedom-(R-1)\* (C-1)

$$(5-1) * (5-1) = 16$$

		Satisfaction about Role of human resourcepractices in industrial relations					Total
		Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied	
Experience	< 2 Years	21	25	0	2	0	48
	2-5 Years	14	19	3	6	3	45
	5-10 Years	8	8	3	0	3	22
	>20 Years	5	2	2	0	6	15
Total		48	54	8	8	12	130

#### Cross tabulation

Chi-Square Tests	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	50.045	16	.000
Likelihood Ratio	55.137	16	.002
Linear-by-Linear Association	3.211	1	.073
No of Valid Cases	130		

#### Interpretation

Since the calculated value is 55.137 which are greater than table value 50.045 at 16degrees of freedom and 5% level of significance, we accept the alternate hypothesis. Hence we infer that there is significant association between Educational level of the respondents and satisfaction about employees loyalty to the organization and its smooth functioning.

#### Chi Square Test Analysis-2

To find the significant difference between Experience of the respondents and Satisfaction about role of human resource practices in industrial relations.

#### Hypothesis

H0= There is no significant difference between Experience of the respondents and Satisfaction about role of human resource practices in industrial relations

H1= There is significant difference between Experience of the respondents and Satisfaction about role of human resource practices in industrial relations

**Experience \* Satisfaction about Role of Human Resource Practices in Industrial Relations**  
**Cross tabulation**

Chi-Square Tests	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	38.560	12	.000
Likelihood Ratio	40.370	12	.002
Linear-by-Linear Association	13.064	1	.013
N of Valid Cases	130		

Level of Significant =5%

Degree of freedom-(R-1)\* (C-1)

$$(4-1) * (5-1) = 12$$

**Interpretation**

Since the calculated value is 40.370 which are greater than table value 38.560 at 12 degrees of freedom and 5% level of significance, we accept the alternate hypothesis. Hence we infer there is significant association between Experience of the respondents and Satisfaction about role of human resource practices in industrial relations.

**Conclusion**

The absence of a healthy human resource department is the greatest weakness. The present methods of recruitment and training of their employees are far from perfect. Men and women workers in any concern are its backbone. The manager should have a comprehensive view of the whole situation --- working conditions, employees' satisfaction, wages and salaries, encouragement to workers by attitude and monetary benefit, refresher and re-orientation training of the employees to raise their standard, implications of the modern technological developments and so on and so forth.

The manager must take into consideration the twelve dimensions of human resource management practices grouped under three heads and plan the activities accordingly. Therefore the dedicated manager's work will propel all the employees. The result will be:

**"The projection of an image of a healthy private sector"**.

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