

HRD Practices Adopted by Public Sector Banks with reference to Thrissur District

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Abstract—Indian banking industry is functioning under the challenges thrown in by market economy. To survive in the highly competitive market, managers are being pressurized to improve quality, increase productivity, cut down cost and eliminate inefficiency. The collective efforts of the employer and the employees become important in this context which necessitates the need of human resource development practices. The success of the Banks depends not only on the satisfaction of their customers but also the satisfaction level of the employees working in the banks. The level of satisfaction of the bank employees can be ensured and enhanced by effective HR-practices adopted by the Banks. An employee being the greatest asset of the bank, their satisfaction is necessary for the success of the banks. In this regard, the author has made an attempt to verify the HR-practices of one among the Public Sector Banks situated in Thrissur District of Kerala. The results of the study have been discussed in this paper.

Keywords—Banks; HRD Practices; Public Sector; Satisfaction of the Bank Employees; Thrissur District.

Abbreviations—Human Resource Development (HRD).

I. INTRODUCTION

INDIAN banking is the lifeline of the nation and its people. The industry had helped in developing the vital sectors of the economy and usher in a new dawn of progress in the Indian economy. This industry has translated the hopes and aspirations of millions of people into reality. Today, Indian banks can confidently compete with any technologically advanced banks of the world. Before the 20th century, usury, or lending money at a high rate of interest, was widely prevalent in rural India. Entry of Joint stock banks and development of Cooperative movement have taken over a good deal of business from the hands of the Indian money lenders, who although still exist, have lost their menacing teeth. In the Indian Banking System, Public Sector banks exist side by side with Private Sector banks and play a supplementary role in providing need based finance or for agricultural based operations including farming, cattle, milk, hatchery, personal finance etc. along with some small industries and self-employment driven activities.

The satisfaction of the employees working in the bank is predominant condition for the success of any bank. The satisfaction of the bank employees can be ensured and enhanced by effective HR-practices adopted by the Banks. In

this connection, the author has made an attempt to verify the HR-practices of one among the Public Sector Banks situated in Thrissur District of Kerala. The results of the study have been discussed in this research paper.

II. BRIEF HISTORY OF SBI

The evolution of State Bank of India can be looked back to the first decade of the 19th century. It began with the establishment of the Bank of Calcutta in Calcutta, on 2 June 1806. The bank was redesignated as the Bank of Bengal, three years later, on 2 January 1809. It was the first ever joint-stock bank of the British India, established under the sponsorship of the Government of Bengal. Subsequently, the Bank of Bombay and the Bank of Madras followed by the Bank of Bengal. These three banks dominated the current banking scenario in India, until when they were amalgamated to form the Imperial Bank of India on 27th January 1921. The State Bank of India emerged as a pacesetter, with its operations carried out by the 480 offices comprising branches, sub offices and three Local Head Offices, inherited from the Imperial Bank. Instead of serving as mere repositories of the community's savings and lending to creditworthy parties, the State Bank of India catered to the needs of the customers, by

banking purposefully. The bank served the versatile financial needs for the planned economic development.

The bank boasts of having as many as 14 local head offices and 57 Zonal Offices, located in major cities throughout India. With more than 10000 branches SBI is well equipped to cater to the needs of the financial economy of the country.

Along with the routine banking functions the bank offers various services including merchant banking services, fund management, factoring services, primary dealership in government securities, credit cards and insurance [Amsa, 2].

III. REVIEW OF LITERATURE

Ramanamurthy [5] has discussed in this article on “Knowledge Management Systems: Issues, Challenges and Benefits, Knowledge Management Systems” the significance of human factor and trade unions in the banks.

Varde [9] in his paper on “Human Resource Management practices in the Banking Industry” at the level of an Indian commercial bank dealt with the aspects like basic structure of manpower planning, linkage of manpower plan to other plans, interrelationship of various manpower functions, objectives of manpower planning in Indian commercial banks, anatomy of manpower plans and techniques of manpower planning.

Subba Rao [8] have discussed the role of counselling, performance counselling and action planning in his paper on “Changing Profile of Banking Impact on HRM policies and Process”, in his book on “Human Resource Management: need for a pragmatic approach, Indian Banking – Managing Transformation” explained HRD instruments, processes and outcomes, HRD Departments and their tasks, structuring the HRD function, qualities, and competence requirement of HRD managers, developing HRD managers, traps and temptations of HRD managers and HRD instruments” [Rao, 6].

Baladev R. Sharma [3] in his study “A study of Human Resource Management in Indian Banking Industry”, studied managerial beliefs, work technology and organizational climate in her paper “Human Resource Development in Indian Public Sector Banks” studied HRD related areas in brief in addition to various issues related to human resource management. Raman [4] in his paper on “Structural changes in banks”: HRM policies and procedures” explained the practice of HRD and various techniques of HRD in State Bank of India. His paper is mostly based on his work experience in the bank rather than a study.

Agarwal [1] in his paper on “The challenges in HR and IT Indian Banking– Managing Transformation” explained the objective and structure of HRD department, HRD climate and various techniques of HRD in the Bank. Management of employees at all levels in the business and which are related to the implementation of strategies directed towards creating and sustaining competitive advantage. Thus, unlike the traditional peripheral function of many personnel managers, the newer style of human resource managers attempts to:

relate personnel practices to beliefs, to link each and every process of the recruitment, induction, training, appraisal rewarding of individuals to an overall set of articulated beliefs of organization’.

IV. HRD PRACTICES IN INDIAN BANKS

In the booming Indian economy all the industries are doing well in the market, and Indian banks are also performing well comparatively. In the booming economy and the continuing expansion most of the banks facing challenges to do well and it outlines the fact that, contrary to public perception it is not just the new private sector banks that are doing well. There are few public sector banks are also doing well and got the place in top 10 best performing Indian banks. And it’s worth mentioning that these public sector banks have performed so admirably in spite of the fact that they operate with many handicaps, such as strong unions and the inability to offer market salaries and incentives and burdened with extravagant workforce. The secret of success of any company depends on how they treat employees and keep them satisfied. For that they have to design their human resource processes like recruitment, selection, training and development, performance appraisal and other based on employee perspective in order to benefit them.

In India the banking industry is becoming more competitive than ever with private and public sector banking competing each other to perform well. The executives of the bank are now modifying their traditional human resources practice in to innovative human resource practices in order to meet the challenges from other competitive banks. Effective human resource practices relate to Bank’s performance by contributing to employee and customer satisfaction, innovation, productivity and development of a favorable organizational working climate in the Banks. In order to verify HR practices adopted by the chosen public sector bank in Thrissur District, the following functions have been chosen by the author as attributes of HRD practices.

- Recruitment and selection
- Training and development
- Performance appraisal
- Career development
- Motivation
- Compensation management
- Grievance Handling.

V. OBJECTIVES OF THE STUDY

- To explore the HRD practices in Public Sector Banks of Thrissur District.
- To find out the satisfaction level of bank officers on HRD practices of their banks.
- To measure the relationship between the demographic characteristics of bank officers and their level of satisfaction on HRD practices.

VI. HYPOTHESES & TOOLS

6.1. Chosen Variables for the Study

- Demographic variables of Bank Employees (Age, Gender, Designation and Work Experience)
- HRM functions (Recruitment and Selection, Training and Development, Performance Appraisal, Career Development, Motivation, Compensation Management and Grievance Handling).

6.2. Hypotheses of the Study

- Gender of the State Bank of India officers does not influence their satisfaction level on HR-practices.
- There is no significant relationship between the age of the State Bank of India officers and their satisfaction level on HR-practices.
- Designation of the State Bank of India officers does not have any influence on the satisfaction level on HR-practices.
- The level of satisfaction of the State Bank of India officers based HR-practices does not differ with respect to their work experience.

6.3. Sampling

State Bank of India among the public Sector Banks operating in Thrissur District has been chosen for the study. In Thrissur District 57 State Banks are functioning. 171 officers (Drawn three officers per Bank) of different age group, different gender, different designation and different length of work experience have been chosen as respondents for this study (Table-I) by using simple random sampling technique.

6.4. Data Collection Tool

Required data had been enumerated from the chosen respondents by using structured schedule. The schedule contained the items related to the demographic variables of the employees and important attributes of HR-practices namely recruitment and selection, training and development, performance appraisal, career development, motivation, compensation management and grievance handling.

6.5. Statistical Tools Used

- Descriptive Analysis
- 't' test
- One-Way ANOVA

VII. ANALYSIS AND INTERPRETATIONS

It is found from the analysis of the data that offices of State Bank of India functioning in Thrissur district follow HR-practices. However, the efficiency and the performance of the HR-practices differ among banks. Further the level of satisfaction of the selected employees for the study differs on the basis of HR-practices adopted by the State Bank of India. To find the answer in order to accomplish the research objective the hypotheses framed for the study have been

tested by using the statistical tools 't' test and One-Way ANOVA.

Table 1: Demographic Profile of Respondents

	Frequency	%
Gender		
Male	143	84
Female	28	16
Age		
Below 30 years	23	13
31-50 years	107	63
Above 50 years	41	24
Designation		
Assistant Manager	123	72
Branch Manager	26	15
Senior Manager	22	13
Experience		
Below 10 years	20	12
11-25 years	117	68
Above 25 years	34	20
Source: Primary data		

Table 1 indicates that, majority of the respondents are male, majority of the respondents come under the age category of 31-50 yrs, majority of the respondents are Assistant managers and Majority of the respondents having experience of 11-25 years.

7.1. Hypothesis – I

H₀: Gender of the State bank of India officers does not influence their satisfaction level on HR-practices.

Table 2: Results of 't'-test for Gender and HRD Practices

HR Practices	Gender				't' Value	'p' Value
	Male		Female			
	Mean	SD	Mean	SD		
	67.69	8.81	70.64	10.90		
Source: Primary Data						

The Table 2 indicates that the calculated p value (0.57) for the variables Gender and HR practices in State Bank of India is found to be greater than 0.05 at 5% level of significance. Since the calculated p value for the variables Gender and HR practices is greater than 0.05, the null hypothesis H₀ is accepted. Hence, it was concluded that Gender of the State Bank of India officers does not influence their satisfaction level on the HR practices followed in their banks.

7.2. Hypothesis – II

H₀: There is no significant relationship between the age, Designation and Work experience of the State Bank of India officers and their satisfaction level on HR-practices.

Table 3: Results of One-Way ANOVA for Demographic Characteristics and HR Practices

Age Group	
Below 30 years	68.52
31-50 years	74.25
Above 50 years	65.35
'F' value	0.73
'P' value	0.75
Designation	
Assistant Manager	69.33
Branch Manager	65.22
Senior Manager	75.21
'F' value	0.45
'P' value	0.55
Work Experience	
Below 10 years	78.25
11-25 years	69.58
Above 25 years	63.56
'F' value	0.62
'P' value	0.51

Table 3 shows that the calculated 'p' value for the variables 'Age' and HR-practices is 0.75 which is greater than the value 0.05. So, it is needless to say that H₀ is accepted. Results of the One-Way ANOVA reveal that there is no significant difference between the State Bank of India officers of different age group towards their satisfaction on HR practices adopted by their Banks.

It was inferred from the Table 3 that the 'p' value (0.55) calculated for the variables Designation and "HR practices is greater than 0.05. Since the calculated 'p' value is greater than 0.05 at 5% level of significance, the null hypothesis H₀ is accepted. Hence, it is concluded that the designation of the State Bank of India officers does not influence their level of satisfaction level on HR practices followed in their banks.

Table 3 depicts that the calculated 'p' value (0.51), for the variables "Work Experience and HR practices" is greater than 0.05 at 5% level of significance. Since, the "p" value is greater than 0.05, the H₀ is not rejected for the variables work experience and HR practices. Hence, it is concluded that the work experience of the State Bank of India officers does not influence their level of satisfaction on the HR practices adopted in their banks.

VIII. SUGGESTIONS

The outcome of the research study offers some valid suggestions to the policy makers of the bank. The banks should review their performance appraisal system by conducting an opinion survey among their officers. The chosen bank officers expressed concern over Compensation Management and Grievance Handling procedures. Therefore, the administrators of State Bank of India should look into the matters which are pertinent to compensation and grievance

handling mechanism and redress their grievances on compensation. Among the existing HR practices of the selected banks, the State Bank of India should be strengthened by incorporating the justifiable views of middle aged bank officers, the officers in the cadre of Assistant Managers level and low and medium experienced officers.

IX. CONCLUSION

The research study "HR PRACTICES IN STATE BANK OF INDIA" carried out in State Bank of India branches, Thrissur District discloses various facts, such as the chosen Banks (N=57) in Trissur District adopt HR-practices. However, the efficiency and the performance of HR-practices differ among banks. Though the bank officers insignificantly differ themselves in the level of satisfaction on HR practices on different functional areas of HRM of their banks, yet all officers have same level of satisfaction over the HR practices adopted in the banks [Sharma, 7]. Moreover the demographic characteristics Gender, Age, Designation and Work Experience do not influence the level of satisfaction of the State Bank of India officers on the HR practices followed by the SBIs situated in Trissur District of Kerala.

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