

Human Resource Management Practices in Selected Private Sector Banks in Puducherry

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Abstract: The study has analyzed human resource practices in selected private sector banks in Puducherry. For this purpose the researchers selected five private sector banks operating in the town namely ICICI bank, Axis bank, City Union Bank, KarurVysya bank and HDFC bank. The study mainly used primary data for analysis and they were collected from 80 respondents through questionnaire. The study used simple percentage, Likert's five point scale technique and correlation analysis as statistical tools. The study found that the selected private sector banks in Puducherry had fair HRM practices regarding transfer policy and recruitment and selection practices and they did not have fair promotional policies to employees and fixation of salary and other remuneration. It was also evidenced that the variables bank where the respondents are working, age and experience had significant and considerable level of correlation with HRM practices. Gender of the respondents did not have significant relationship with HRM practices.

Keywords: Human resource, recruitment, correlation, relationship, training.

INTRODUCTION

Service sector is the developing sector in India. It contributes more than 50 per cent to gross domestic products. It is also providing more employment opportunities to people directly and indirectly. Banking industry is one of the important components of service sector and it is the biggest service industry in India. Banks in India are mainly divided into two namely, public sector banks and private sector banks. The history of commercial banking in India commenced with the establishment of 'Bank of Hindustan' in 1770 which was started in Calcutta. Latter many number of banks were established in India. In order to regulate banking industry in India 14 Indian commercial banks were nationalized by the Government of India on 19th July 1969 and in 1980 another six banks were also nationalized. In the early 1990s the Government of India adopted liberalization policy in major sectors in India, because of this policy changes private banks were allowed to do business in India. Latter many number of private sector banks were established and they compete with public sector banks. Now, private sector banks are the major competitors to public sector banks. Banking industry is mainly depending on competed human resources for its profitability and development. Private sector banks were eager to get compete human resource in order to improve their services. Selection, recruitment and training of human resource involve heavy expenses for banks. Hence they want to retain

employees by adopting better human resource practices. Otherwise the rate of employees' turnover will be high and it will increase human resource expenses considerably.

Highly volatile business environment is present in the world now. It becomes difficult to obtain optimum and suitable human resource especially in banking sector. Even though many factors are influencing the success of a business human resource is an important factor causing the success of a business. Banks are human resource oriented business, retaining compete human resource is very difficult than obtaining compete human resource. Retaining employees in an organization is depending on its human resource practices. Every business organization has its own human resource practices. People who are appointed as an employee in public sector bank will not turnover from the organization because of behavior of Indian people as they think that they have got government employment. Hence retain human resource is not a difficult task for public sector banks. But it is major task for private sector banks; people who are working in private sector banks are moving to other private sector banks or public sector banks when they get more salary or getting other facilities which were not provided by existing private sector bank. Hence framing human resource practices is a major task for private sector banks. Puducherry is one of the major union territories

in India. Almost all private banks are having its branches in the town. Hence the researchers have intended to study human resource practices of selected private sector banks in Puducherry.

REVIEW OF LITERATURE

Riaz Ahmed Mangi *et al.*, [1] identified that the impact of national cultural factors such as collectivism and high power distance have a strong influence on human resource management (HRM) practices and retaining competitive advantage at work. Khaled Mahmud and Sharmin Idrish [2] in their study evidenced that job analysis, career development, compensation, realistic job information variables were negatively and significantly correlated with EIL. Work family balance was not negatively correlated with EIL. These six variables explained 67% of the variance in EIL. Uma Narang, [3] in her study found that there was a good relationship between the employee retention and the HRM practices. The frequencies of career development, allocation of rewards regarding work and work environment show the highest values in relation to their perceived level of retention with the concern. Md. Tofael Hossain Majumder, [4] in his study evidenced that all HRM dimensions exercised in the private banking sector of Bangladesh did not satisfy to the employees equally. Most of the employees were dissatisfied with compensation package followed by reward and motivation, career growth, training and development, management style, and job design and responsibilities.

Mathivanan B, [5] in his study found that the HRM instruments like PAS and potential development exercises contributing to Individual Development. The study also suggested that the unions in banks need to modify the traditional role at the work place and start focusing on development roles like a) Initiation of HRM b) Communication c) Education and Training d) Welfare of bank employees e) Role in family vocational guidance and f) research. Zulfar Ahmad Bowra *et al.*, [6] in their study evidenced that the employee perceived performance and HR practices has positive and significant relationship. The regression results indicated that the two HR practices: performance evaluation and promotion practices were significant but the compensation practices were not significant.

Statement of the Problem

An efficient human resource practices of a bank is very important in the way of retaining compete employees, to improve their efficiency, to minimize human resource expenses, increasing profit of the bank and so on. Human resource practices relevant to recruitment, training, fixation and revision of salary,

performance appraisal, promotion and transfer are very important aspects. Efficiency of employees will improve only when they are satisfied with human resource practices followed in their organization. Hence the study is intended to analyze the human resource practices followed in selected private sector banks in Puducherry.

Objectives of the Study

- The study is undertaken with the following objectives.
- To analyse human resource practices in selected private banks in Ponducherry.
- To study the relationship between independent variables and human resource practices.

METHODOLOGY

The study mainly used primary data for analysis. The researchers considered five private sector banks operating in Puducherry namely, ICICI bank, Axis bank, City Union Bank, KarurVysya bank and HDFC bank. From each bank two branches were selected and eight respondents from each branch were selected as respondents, hence sample size of the study came 80. Primary data were collected from the respondents through questionnaire. The study used simple percentage, Likert's five point scale technique and correlation analysis as statistical tools.

RESULTS AND DISCUSSION

This paper analyses opinion of employees of selected private sector banks in Puducherry towards human resource practices. Table 1 gives the results of demographical background of the respondents.

It was observed from table 1 that 61.2 per cent of the respondents were male and 38.8 per cent of the respondents were female. It was also found that age of 32.5 per cent of the respondents was between 31 and 40 years, 31.3 per cent of the respondents' age ranged from 41 to 50 years, age of 23.7 per cent of the respondents was below 30 years and age of 12.5 per cent respondents was between 51 and 60 years. It was also known from table 1 that 46.3 per cent of the respondents completed graduation, 36.2 per cent of the respondents completed post-graduation and 17.5 per cent of the respondents completed professional education. The results of experience of the respondents showed that 28.7 per cent of the respondents had an experience of 5 to 10 years, 26.3 per cent of the respondents had an experience of 11 to 15 years, 22.5 per cent of the respondents had an experience of upto 5 years, 15 per cent of the respondents had an experience

Table 1: Demographical Background of the Respondents

Particulars	No. of Respondents	Percentage
Gender		
Male	49	61.2
Female	31	38.8
Total	80	100.0
Age		
Upto 30 Years	19	23.7
31 to 40 Years	26	32.5
41 to 50 Years	25	31.3
51 to 60 Years	10	12.5
Total	80	100.0
Education		
Graduate Level	37	46.3
Post Graduate Level	29	36.2
Professional Education and Others	14	17.5
Total	80	100.0
Experience		
Upto 5 Years	18	22.5
5 to 10 Years	23	28.7
11 to 15 Years	21	26.3
16 to 20 Years	12	15.0
Above 20 Years	6	7.5
Total	80	100.0

Source: Primary Data

Table 2: Human resource Practices in Selected private Sector banks

Sl. No.	Statement	SA	A	NAD	D	SD
1.	Recruitment and selection practices followed in your bank are well defined and fair.	21 (26.3)	18 (22.5)	15 (18.8)	19 (23.8)	7 (8.8)
2.	Training and placement policies of our bank are good.	12 (15.0)	26 (32.5)	18 (22.5)	18 (22.5)	6 (7.5)
3.	Fixation of salary and other remunerations are fair and comparable in the market.	9 (11.3)	15 (18.8)	16 (20.0)	33 (41.3)	7 (8.8)
4.	Performance appraisal system followed in our bank is good.	16 (20.0)	13 (16.3)	17 (21.3)	30 (37.5)	4 (5.0)
5.	Promotional policies followed in our bank are fair and suitable for skilled employees.	8 (10.0)	15 (18.8)	16 (20.0)	31 (38.8)	10 (12.5)
6.	Transfer policy followed in our bank is fair.	20 (25.0)	20 (25.0)	13 (16.3)	24 (30.0)	3 (3.8)
7.	Policy of salary revision is fair and suitable for employees.	13 (16.3)	31 (38.8)	14 (17.5)	12 (15.0)	10 (12.5)
8.	Policies of the bank intend the employees to retain in the same organization.	15 (18.8)	29 (36.3)	8 (10.0)	20 (25.0)	8 (10.0)
9.	All the policies are transparent in our bank.	12 (15.0)	20 (25.0)	14 (17.5)	23 (28.8)	11 (13.8)

Source: Primary Data

Table 2 indicates that 48.8 per cent of the respondents either agreed or strongly agreed the statement that recruitment and selection practices followed in the bank were well defined and fair. A considerable number of respondents (47.5 per cent) either agreed or strongly agreed the statement that training and placement policies of their bank were good. Majority of the respondents (50.1 per cent) either disagreed or strongly disagreed the statement that fixation of salary and other remunerations were fair and comparable in the market. A considerable number of respondents (42.5 per cent) either disagreed or strongly disagreed that performance appraisal system followed in their bank was good. It was also known that majority

of the respondents (51.3 per cent) either disagreed or strongly disagreed that promotional policies followed in their bank were fair and suitable for skilled employees. Half of the respondents (50 per cent) either agreed or strongly agreed that transfer policy followed in their bank was fair. Majority of the respondents (55.1 per cent) either agreed or strongly agreed that policy of salary revision was fair and suitable for employees. Majority of the respondents (54.1 per cent) either agreed or strongly agreed that policies of the bank intend the employees to retain in the same organization. 42.6 per cent of the respondents either disagreed or strongly disagreed that all the policies were transparent in their bank.

Table 3: Likert's Five Point Scaling Techniques of HRM Practices

Factor Rank	I	II	III	IV	V	Total	Points	Overall Rank
Recruitment and selection practices	21	18	15	19	7	80	267	2
Training and placement policies	12	26	18	18	6	80	260	5
Fixation of salary and other remunerations	9	15	16	33	7	80	226	8
Performance appraisal system	16	13	17	30	4	80	247	6
Promotional policies	8	15	16	31	10	80	220	9
Transfer policy	20	20	13	24	3	80	270	1
Policy of salary revision	13	31	14	12	10	80	265	3
Policies aims to retain the employees	15	29	8	20	8	80	263	4
Transparency of HRM practices	12	20	14	23	11	80	239	7

Source: Computed from Primary Data

Table 3 shows the results of Likert's five point scaling technique regarding human resource practices of selected private sector banks in Puducherry. It was found that transfer policy of the selected private sector banks was ranked first by the respondents; hence it was the most favourable human resource policy by the banks followed by recruitment and selection practices which was ranked 2. Policy of salary revision was ranked third; the statement of policies of the banks aims to retain the employees ranked fourth and training and placement policies was ranked fifth. Promotional policies of the selected private sector banks was ranked last (9th rank) by the respondents followed by fixation of salary and other remuneration (8th rank). Transparency in HRM practices and performance appraisal system were ranked 7th and 6th respectively. It was observed from the results that the selected private

sector banks in Puducherry had fair HRM practices regarding transfer policy and recruitment and selection practices and they did not have fair promotional policies to employees and fixation of salary and other remuneration.

It was also attempted to know relationship between demographical variables and human resource practices in selected banks, correlation analysis was applied and the results are presented in table 4. For this purpose the following null hypothesis was framed and tested subsequently.

Ho: There is no relationship between bank, gender, age education, experience and human resource practices followed in selected banks in Puducherry.

Table 4: Correlation with Human Resource Practices

Factors	Correlation co-efficient	P-value	No.
Bank	0.634	0.032	80
Gender	0.178	0.114	80
Age	0.452	0.043	80
Education	0.193	0.087	80
Experience	0.384	0.038	80

Source: Computed from Primary Data

It was known from table 4 that the correlation coefficient between bank where the respondents was working and human resource practices followed by banks were having high correlation (0.634) and it was significant at five per cent level. Age of the respondents and HRM practices had significant correlation with each other, its correlation were at moderate level (0.452) and its p-value was 0.043. Experience of the respondents in bank employment and HRM practices had positive and significant relationship each other, but its correlation co-efficient was found to be low (0.384). Education of the respondents also had positive and significant relationship with HRM practices, but its correlation was found very low (0.193). Gender had very low correlation co-efficient with HRM practices followed by the selected private sector banks in Puducherry, its p-value was 0.114, and it was not statistically significant. The null hypothesis was rejected for all variables except gender of the respondents; therefore there was significant relationship between bank, age, education, experience and human resource practices followed in selected banks in Puducherry. It could be noted that the variables bank where the respondents are working, age and experience had significant and considerable level of correlation with HRM practices. Gender of the respondents did not have significant relationship with HRM practices.

CONCLUSION

Human resource is essential one for service sectors especially for banking sector. Efficient implementation of human resource practices will increase efficiency of employees and which will lead to success of business in all aspects. The study has analyzed nine aspects of human resource practices and five demographical variables. The study found that the selected private sector banks in Puducherry had fair HRM practices regarding transfer policy and recruitment and selection practices and they did not have fair promotional policies to employees and fixation of salary and other remuneration. It was also evidenced that the variables bank where the respondents are working, age and experience had significant and considerable level of correlation with HRM practices. Gender of the respondents did not have significant relationship with HRM practices.

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