IJNRD.ORG ISSN : 2456-4184
INTERNATIONAL JOURNAL OF NOVEL RESEARCH AND DEVELOPMENT (IJNRD) | IJNRD.ORG
An International Open Access, Peer-reviewed, Refereed Journal

"A STUDY OF HUMAN RESOURCE MANAGEMENT IN INDIAN BANKING SECTOR : A FUTURISTIC APPROACH"

Shubham Kushwaha, Research Scholar (S.R.F), Department Of Commerce And Business Administration,University Of Allahabad, Prayagraj, Uttar Pradesh

Prof.R.S.Singh, Head & Professor, Department Of Commerce And Business Administration, University Of Allahabad, Prayagraj, Uttar Pradesh

ABSTRACT

The Indian banking sector plays a crucial role in the nation's economic landscape, acting as a cornerstone for financial stability and growth. It has been noted that competition is posing difficulties in the development and acquisition of human resources in the current context of extraordinarily volatile business conditions. Human resources (HR) are viewed as a origin of economic competitive advantage and strength due to their significance and uniqueness. By exploring the current HR practices and their implications, the paper endeavors to provide insights into the evolving dynamics of HRM in Indian banks, anticipating future trends and challenges. The most crucial factors that influence organisational performance and define an association's success are the retention and acquisition of human talent. Banking is especially significant in any economy since it is a sector with a high attentiveness of people. It's really fascinating to investigate HRM practises in a field that relies so heavily on people.

KEYWORDS: *HRM , Practices, banks , private , public*

1. INTRODUCTION

Human Resource Management constitutes a pivotal component of organizational success, particularly in knowledge-intensive industries like banking. In India, the banking sector has witnessed significant transformations in recent years, driven by technological advancements, regulatory changes, and shifting customer expectations. Against this backdrop, understanding the nuances of HRM practices becomes imperative for ensuring organizational resilience and competitiveness.

In India, modern banking began in the middle of the 18th century. Among the early establish banks were the Bank of Hindustan, founded in 1786 and liquidated in 1829–1832. The General bank of india , founded in 1786 but failing in 1791. The SBI is the biggest and oldest bank that is still in operation (SBI). It was established and put into operation as the Bank of Calcutta in the middle of June 1806. It was called the Bank of Bengal in 1809. The Bank of Bombay and the Bank of Madras, both established by presidency governments in 1840 and 1843, respectively, were the other two banks. The three banks were combined in 1921 to become the Imperial Bank of India, which later changed its name to the SBI in 1955 upon India's independence. Prior to the Reserve Bank of India being founded in 1935 under the Reserve Bank of India Act, 1934, the presidency banks and its successors served as quasi-central banks for a number of years. The SBI (Subsidiary Banks) Act, 1959 gave the State Banks of India jurisdiction over eight state-affiliated banks in 1960. However, on April 1, 2017, the affiliated banks' merger with SBI became effective. The Bank of India was one of the fourteen large commercial banks that the Indian government nationalised in 1969. In 1980, six more private banks were taken over by the government.The majority of lenders in the Indian economy are these nationalised banks. They control the banking industry due to their size and extensive networks.

In current scenario India's banking industry is adequately capitalised and well-regulated, according to the RBI. Compared to any other country in the globe, the nation has significantly better financial and economic conditions. Studies oncredit, market, and liquidity risks indicate that Indian banks have typically been resilient and have fared well during the global recession. Recently, cutting-edge banking methods like payments and small finance banks have been introduced to the Indian banking industry. Through a number of initiatives including the Pradhan Mantri Jan Dhan Yojana and Post Payment Banks, India has also put a recent emphasis on expanding the scope of its banking system. The present indian banking industry In addition to cooperative credit institutions, 12 public sector banks, 22 private sector banks, 46 foreign banks, 56 regional rural banks, 1485 urban cooperative banks, and 96,000 rural cooperative banks make up the Indian banking system. As of September 2021, India had 213,145 ATMs, with 47.5% of them being situated in rural and semi-urban areas.

2. HUMAN RESOURCES MANAGEMENT

The practise of recruiting, hiring, assigning, and managing personnel is known as human resource management (HRM). The HR department of a business or organisation is often in charge of developing, implementing, and monitoring the firm's policies regarding employees and its interaction with them. The word "human resources" was initially used to refer to an organization's workforce in the early 1900s, and it became more popular in the 1960s. HRM is employee management with a focus on those workers as company assets. Employees are several times referred to as human capital in this sense. Making the most of people while minimising risk and optimising ROI are the objectives, just like with other business assets.

The most important factor of any corporation, particularly a financial institution, is its workforce. The entire structure is supported by the public's faith in them and their constant support in the form of deposits. In order to increase productivity and ensure effective operation, the management realises that the employees are a crucial component of the business and works to foster a good working relationship with them. Through friendly and pleasant interactions between the bank's management and workers, public transactions with the bank are to be supported and patronised. By settling disagreements or grievances through talks and bipartite agreements that must be held in a friendly environment, harmonious connections can be formed. These more contemporary methods of reducing conflict between employees and management are the outcome of deliberate actions taken with persistence and adaptability. The employees had to wait for the appropriate moment to voice their concerns and resort to informal meetings with the management at the latter's discretion because there was no set of rules for holding discussions and coming to a resolution. But now that institutional and official means for resolving concerns have been established, the employees could make a significant advancement.

3. OBJECTIVE

- To understand various HR practises used in the Indian banking sector.

4. RESEARCH METHODOLOGY

Research methodology is a methodical approach to solving research problems; it includes various approaches typically used by researchers to study problems as well as the reasoning behind each approach. In order to better understand the various human resources practises in the Indian banking sector as well as the sector's potential future, The thematic analysis will be employed for qualitative insights. This methodological framework enables a holistic understanding of HRM practices and their contextual nuances. the current study is being conducted with necessary secondary data has been gathered from a variety of sources, including reports, magazines, newspapers, variety of old research papers, journals, books, the internet, some governmental data, etc.

5. HUMAN RESOURCES MANAGEMENT PRACTICES IN INDIAN BANKING SECTORS.

The Indian banking industry is beginning to view human resources management as a potential area of core strength. A pivot around which the twin goals of employee retention and workforce quality can be seen is skill development. This is accomplished by employing both internal training organisations and outside consulting firms and specialists. Compared to the private sector, the public sector has had a bigger increase in employment. However, there are differences between the public sectors banks and private sectors banks in terms of the makeup of new hires. Public sector banks still have a large clerical workforce despite the private sector shifting more and more toward an officer-oriented system. The private sector's significant technical investment supports its decision to hire officers, who are highly qualified human capital. In any case, the former eliminates the overcrowding of labour at the clerical level. Adopting an officer-oriented structure has made it easier to multitask, encourage flexibility, and ensure long-term profitability. This compositional difference has a significant impact on the organization's performance and procedures. These practises cover all aspects of compensation, including laws controlling pay and raises, employee performance-related practises, hiring, staffing, and selection processes, job designs, and benefit systems. In the current scenario of market the technologies changing day be day in the competitive era of the financial sector. The following are the main challenges that HR management in all sectors will face in the near future.

5.1 RECRUITMENT AND SELECTION

The term "recruitment" describes the process of looking for possible candidates and then urging them to submit an application for a current or upcoming opening. The hiring of personnel from among the candidates who made the short list and giving them a position in the organisation is called selection. Any organization's personnel are key to its success. The entire business can profit from a worker's unrivalled performance when they are well-suited for their position. Organizations can choose the best applicants for the right roles with the aid of recruitment and selection. Therefore, it is crucial to comprehend the distinction between recruiting and selection in order to minimise losses for an organisation.

Banks use a methodical approach to the hiring and choosing of new staff. These banks apply a set of criteria for hiring and choosing their staff members. The business decisions regarding which roles must be filled and how to meet both current and future needs constitute the standard procedure for employee selection and recruiting. This comprehensive approach is meant to cover every position, from the lowest to the highest level. Private sector banks employ both internal and external markets for recruiting. The internal market is typically used to fill higher jobs, while promotions and transfers are used to fill managerial and executive roles. Some banks also employ consultants and hire people on a contract basis.

5.2 TRAINING AND DEVELOPMENT

The goal of T&D is to increase the productivity of teams, individuals, and organisations. While development is tied to the advancement of longer-term organisational and personnel goals, training may be considered as related to immediate changes in organisational effectiveness through structured instruction. Although the terms "training" and "development" theoretically have different meanings, they are frequently used together or interchangeably. However, over the past 20 years, training and development have grown to be closely related to human resources management, talent management, human resources development, instructional design, human factors, and knowledge management. Historically, T&D have been areas within mature education and applied psychology.

Training is a structured exercise intended to alter people's attitudes and behaviours. Programs for T&D are crucial for advancing the careers of bank workers. in order to keep up with the industry's continuous technological advancements. For employees, several training and development programmes are created. All banks place a strong focus on training, but little systematic training need analysis is done. For relatively junior level bank employees, training programmes are conducted by training colleges specifically created for banks so that they are familiar with the working environment in banks. The majority of senior level training in banks is provided by outside groups, particularly foreign training companies. Some of the larger banks' training facilities complain about underutilization.

5.3 PERFORMANCE APPRAISAL

Performance appraisals are used to systematically assess employee performance and determine a person's potential for future development. The systematic, recurring, and objective evaluation of an employee's performance in areas related to his current job and his prospects for advancement is known as a performance assessment. Compared to public sector banks, Indian banks pay more attention to performance evaluation in private sector enterprises. It is necessary to integrate performance reviews based on output quality, an employee's potential inside the organisation, etc. across all levels, cadres, and grades. In addition to ensuring maximum productivity, this will go a long way toward inspiring top performers to support the long-term goal and vision of banks.

5.4 COMPENSATION POLICY

A company's philosophy and processes for choosing how much to pay, reward, and benefit its employees are combined into a compensation policy. Although each organisation will have its unique compensation plan, you can find that several industries have methods to pay and benefits that are equivalent or similar. Incentives like bonuses, commissions, stock, allowances, and other sorts of benefits are frequently referred to as "total compensation" and are covered by the company's policy even if "compensation" typically refers to income.

The majority of a bank's salary is determined by seniority or previous employment. Along with motivating and pushing them to learn new things, banks could reward their staff by giving them non-monetary bonuses and scale upgradation increments.

5.5 EMPLOYEE RETENTION

Employers make a concerted effort to develop an environment that motivates current employees to stay with the company by putting policies and procedures in place that cater to their various demands. This is known as effective employee retention. The finest employers ignite and nurture a desire for exceptional performance. They not only exhibit clarity and focus but also communicate it to the staff in a straightforward manner. Sekaran, U. (1989) investigated a data of more than 260 bank workers. Between the quality life aspects of job participation and sense of competence, this study identified the pathways to the workplace satisfaction of employees.

5.6 CUSTOMER RETENTION

By focusing on the customer and brand relationship management that extends beyond the bare minimum transactional offerings, banks can keep customers loyal. By adjusting your marketing, sales, and service tactics in response to customer feedback, you can invest in next-level support and service. Customer retention is a strategy used by offering organisations to stop customers from leaving. Successful customer retention starts with an organization's first interaction with a client and lasts the duration of the relationship. The dimensions of a business to draw in and keep new clients is closely tied to both the quality of its goods and services as well as the way it treats its current clients and its standing in the industry.

6. FINDING

The findings of this study shed light on the prevailing HRM practices in the Indian banking sector. It identifies key trends such as the adoption of digital HR technologies, emphasis on talent management and succession planning, and the importance of fostering a culture of innovation and agility. Furthermore, the discussion delves into the implications of these findings for future HR strategies, emphasizing the need for continuous adaptation and alignment with emerging industry trends.

The major finding is Organizations might claim that serving India's mass consumer is the banking sector's largest problem. Companies now place more emphasis on the consumer than the offering. Banking organizations will be more successful in satisfying their demands if organizations have a best understanding of our clients. Indian banks most focus on better recruitment and selection in order to address the aforementioned issues. Better Training and Development facility issue In public sector banks is another area where there are difficulties. Indian banks must innovate their performance apprisal technique in addition to providing regular banking services if they want to remain competitive across the board. Modernizing techniques is necessity to meet issues like employee retention and compensation policy.

7. CONCLUSION

In conclusion, this research underscores the critical role of HRM in shaping the future trajectory of the Indian banking sector. By understanding and embracing evolving HR practices, banks can navigate complexities, leverage opportunities, and sustain competitive advantage in an increasingly dynamic environment. Moreover, the insights gleaned from this study contribute to the broader discourse on HRM in the context of emerging economies, offering valuable implications for theory and practice.

In today's global marketplace, the banking industry, particularly private banks in emerging nations like India, must contend with fierce rivalry, a talent scarcity, and a lack of skilled workers. All of these factors have given banks the impression that internal customers are just as important as outer ones. As a result, every bank is working to develop creative HR strategies to captivate the best pool and provide them with a comfortable work environment, which enables the banks to retain talent. Competition is crucial for the survival of business organisations. Every aspect of an organisation is affected by the need for every organisation to adapt to changes in the environment. But in the case of banks, these modifications are only made in a few areas, with human resources being one of them.

8. REFERENCES

1. Armstrong, M. (2006) A Handbook of Human Resource Management Practice, (10th ed.) Kogan Page, London.
2. B. Flippo Edwin.(2000) Personnel Management McGraw-Hill International Publications
3. Chahar, Bhawana, and Vinod Hatwal.(2018). "Human Resource Management Practices and Its Impact on Employees Engagement and Performance."Indian Journal of Positive Psychology9(4):16–35. doi: 10.15614/ijpp/2018/v9i4/181027.
4. Chinnadurai, P. (2014). HR practices in private sector banks - An empirical evidence. International Journal of Marketing,3(4), 30–37.
5. Dessler,Gary (2010). Human Resource Management. New Jersey: Pearson Printice Hall.
6. Jha, R., & Mishra, M. K. (2015).A study of HRM and employees performance in banking sector in India.International Journal of Advance Research and Innovative Ideas in Education, 1(3), 24–28.
7. Kundu, S. C., & Malhan, D. (2007). Human resource management practices in insurance companies operating in India. Asia Pacific Management Conference, Melbourne, Australia 472–488
8. Ramakrishna, P. and Rao, K.S. (2017). A Comparative Analysis Of Human Resource Practices Among Public And Private Sector Banks In Telangana State. International Journal of Advanced Scientific Research & Development, 4(3), 65-75.
9. Rao V.S.P. (2000), Human Resource Management (Text and Cases), 5th Edition. Published by Excel Books, New Delhi.
10. Sinha, A. (2015). A comparative analysis of dimensions of public and private organizations on their employees' satisfaction. Indian Journal of Applied Research, 5 (7), 331 –333

11. Suresh, P., & Dr. Narayana Reddy, T. (2017). Impact of HRM Practices on Employee Satisfaction in Banking Sector in Chittoor District. International Journal of Engineering Technologies and Management Research, 4(12), 43-48.
12. Indian brand equity foundation (2022) https://www.ibef.org/industry/banking-presentation , ministry of commerce and industry, Govt of India.