

EMPLOYEES OPINION ON HRM PRACTICES IN STATE BANK OF INDIA – A STUDY OF NELLORE DISTRICT

Dr. P.Thanuja*

Dr. Suja S.Nair**

Abstract

Keywords:

Introduction, Reviews,
Methodology, Descriptive
analysis, Results
.

This research paper examines the implementation of human resource management practices of State Bank of India, the leading Public Sector Bank in Nellore District. This study covers the opinions of employees relating to Training & Development procedures and Compensation practices followed in SBI with special reference to Nellore Region.

*** Dr. P.Thanuja, Asst. Prof., PBR VITS, Department of Business Administration, Kavali, SPSR NLR Dt.**

**** Dr. Suja S. Nair, Assoc.Prof, HOD, Department of Business Management, VSU, Nlr.**

1. Introduction :

Human Resource Management is a very comprehensive and multifaceted approach directing towards the managements of the overall functions of an organization through its most valuable assets i.e. human resources which include well being and growth of both organization and its people. It is the systematic planning, development and control of a network of interrelated process affecting and involving all members of an organization. Further it is a strategic and coherent approach to the management of an organization's most valued assets - the people working there who individually and collectively contribute to the achievement of its objectives.

Review of Literature:

Abishek (2017) in his study revealed that Job Satisfaction is a key concept. The scope for job satisfaction is much higher in PSBs because they are more involved with development banking than private sector banks. Also PSBs give immense opportunity to staffs to be of service to needy people like students, pensioners, blue collar workers, migrant laborers etc –which can lead to job satisfaction.

Esha Mehta (2016) in her study found that public and private sector banks differ with respect to their background and work culture. It has been observed that the work culture of public sector banks was based on the concept of socioeconomic responsibility, in which profitability is secondary. On the other hand, private sector banks work towards profitability. Because these differences between the sectors hold an important factor in shaping the work culture of an organization, it needs to be explored how they would likely influence by their HRM Practices.

Gaikwad & Deshmukh (2015) in their study on “HRM Practices in Selected Public and Private Sector Banks” described the issues that are involved related to HR. The authors in their study discussed about HR practices and their relation with both Public and Private sector banks. The study revealed that human resources are important part of any organization and needs to be managed effectively.

Shaukat et al (2015) in their study on “Impact of Human Resource Management Practices on Employees Performance” has described that employees are important part of any organization

contributing towards the achievement of goals. The aim of the study is to examine the impact of compensation, recruitment and selection, career planning, performance appraisal and selection on employee performance. The authors concluded in their research paper that it is necessary to review, revamp and rejuvenate the human resources in the organization

The study conducted by Al Qudah et al (2014) on “The Effect of Human Resources Management Practices on Employee Performance” has showed the effect of human resources on the performance level of employees. The main factors which have impact are recruitment and selection and compensation on employee performance. The authors have also described that the success and failure of any organization depends on its employees. The results revealed that there is positive relation between both compensation and employee performance and recruitment and selection and employee performance.

KC Chakraborty, 2012 “HR Management in Banks-Need for a new perspective” concluded that Human Resource Management is important for banks because banking is a service industry. Management of risks and Management of people are two key challenges facing banks. He has focused more on the emerging needs of HRM in banking sector in today’s world.

Shikha N. Khera (2010) pointed out that over recent years there has been an increasing interest in the field of human resource management. Currently, the literature encourages the consideration of human resources as strategic factors, not only because they play important role in strategy implementation, also because they are beginning to be reckoned as sources of sustainable competitive advantage. Relationships between human resource management and productivity have been studied from different perspectives. This study is an attempt to investigate the extent to which Commercial Banks of India differ on aspects of human resource management practices and the key Human Resource Practices contributing to employee productivity from a sample of 184 respondents from three commercial banks of India (one foreign sector, one private sector and one public sector bank).

Lincoln, Krishna and Rao (2009) conducted a study on “HRM Practices in Public Sector that HR policies of Public Sector Banks should be revised there by making them more competitive in this

challenging era of globalization.” The Man Power Services Commission’s glossary of training terms defines ‘training’ as a planned process to modify attitude, knowledge skill, behavior through learning experience to achieve effective performance in an activity or range of activities”.

2. Research Method:

Statement of the Problem:

The banking industry in India is dynamic. There are many challenges to be faced in the wake of this scenario. Training and Development form the base for organizations in Employee enhancement. Further their performance is to be appraised continuously in assessing their skills, so that it helps in prediction of Training and Development practices for the employees. Employees are entrusted with different roles and responsibilities in the banks. Training & Development procedures, Compensation practices enable the organizations to assign various roles and responsibilities efficiently which help them in taking up higher challenges and to retain in the organizations. In this study, the researcher studies the existing HRM practices like Training & Development procedures, Compensation practices of the employees in SBI bank in Nellore District. The aim is to assess the effectiveness of various facets of Training & Development procedures, Compensation practices in Public sector Bank.

Need for the Study:

Human Resource Management is important for banks because banking is a service industry. In what way the Training & Development procedures and Compensation practices followed in Public sector bank (SBI) is analysed, so that their implementation can be done in a better way.

Objective of the Study:

- To analyse the implementation of human resource practices namely Training & Development procedures, Compensation practices in SBI.

Methodology:

In the present study, the research is descriptive in nature and conducted on select public sector bank (SBI) with special reference to Nellore district regarding HRM practices. In this case by

descriptive it means that the researcher described the implementation of HRM practices among the employees of the select bank. The study is based on survey method. Primary data are collected from the field directly by using structured Questionnaire. The secondary data are collected from books and websites. 440 respondents are selected by adopting Convenience sampling technique for the study covering all branches of Nellore district of AP. Statistical package (SPSS version 16.0) is used for analysis of data.

Sampling Design:

State bank of India is selected as Public sector bank for this study. The target population consists of a total of 468 employees from 50 branches of SBI, out of which 440 employees (lower-274 and middle-166) were considered for this study based on convenience. The collected facts are analysed by using statistical tools like Mean and Standard Deviation. 5 point Likert scale is used in the study.

Limitations of the Study:

- The responses for the study have been solicited from the district of Nellore only.
- This research work assessed only the practices namely “training & development, compensation” only. Other areas of HRM are not included due to financial and time constraints.
-

3. Result Analysis:

Table 1.1 is prepared by assigning Strongly Agree (5) to Strongly Disagree (1). The Mean and Standard Deviation of the scores of all the Training & Development scale are given below

Table No: 1.1-Training & Development Procedures in State Bank of India (N=440)

Statements	Mean	SD
Need for Training in your bank	4.16	0.914
Objectives of Training program can be achieved	4.25	0.725
Training is an ongoing process	4.15	0.895
Conducts extensive T&D programmes	3.92	1.124
Identification of Training need through formal appraisal	3.99	0.907
Existence of formal training programmes to teach new employees	4.04	0.902

Use of Formal Evaluation methods for training effectiveness	4.14	0.828
Training is given by recommendation of reporting authority	3.37	1.203
Consideration of Individuals own initiative for training programme	3.27	1.197
Target group is selected after conducting appraisal	3.40	1.145
Training is imparted based on need	3.94	1.008
Design of training programme for promotion	3.80	1.094
Required material and assistance were given during programme	4.15	0.959
Programmes were well managed & venues were comfortable	3.78	1.146
Help to know employee hidden talents, capabilities & potentials	4.10	0.926
Helps in bridging gap between supervisor & subordinate	4.00	1.009
Contributes to large extent in improving confidence & commitment	4.09	1.004
Ability to make innovations at workplace	4.00	0.928
Help to play a bigger role than current job	3.84	1.043
Helpful in upgrading the skills	4.13	0.907
Help to remain updated with latest practices	4.18	0.875
Contribute in improving overall performance	4.01	1.094
Duration of programme was appropriate	3.68	1.151
Progress of programme was appropriate	3.96	1.034
Training content was relevant to objectives	4.05	0.909
Induction level training help in real terms	4.20	0.876
Induction level training help to gain clear insight of objectives	4.06	0.923
Existence of system for calculating cost & benefit	3.93	0.963
Help to reduce employee turnover	3.57	1.226
Result in higher employee performance	3.79	1.114
Result in higher productivity & financial results	3.80	1.098
Overall programme is effective	4.07	0.874

Table 1.1 shows Training & Development in Public sector bank (N=440). The respondents felt that in the public sector bank there exists achievement of objectives in Training program (4.25), Induction level training help in real terms (4.20), Help to remain updated with latest practices (4.18), Need for Training (4.16), Required material and assistance were given during programme (4.15), Training is an ongoing process (4.15), Use of Formal Evaluation methods for training effectiveness (4.14), Helpful in upgrading the skills (4.13), Help to know employee hidden talents, capabilities & potentials (4.10), Contributes to large extent in improving confidence & commitment (4.09), Overall programme is effective (4.07), Induction

level training help to gain clear insight of objectives (4.06), Training content was relevant to objectives (4.05), Existence of formal training programmes to teach new employees (4.04), Contribute in improving overall performance (4.01), Helps in bridging gap between supervisor & subordinate (4.00), Ability to make innovations at workplace (4.00) are satisfied with the mean values between 4 and 5.

Whereas identification of Training need through formal appraisal (3.99), Progress of programme was appropriate (3.96), Training is imparted based on need (3.94), Conducts extensive T&D programmes (3.92), Existence of system for calculating cost & benefit (3.93), Help to play a bigger role than current job (3.84), Design of training programme for promotion (3.80), Result in higher productivity & financial results (3.80), Result in higher employee performance (3.79), Programmes were well managed & venues were comfortable (3.78), Duration of programme was appropriate (3.68), Help to reduce employee turnover (3.57), Target group is selected after conducting appraisal (3.40), Training is given by recommendation of reporting authority (3.37), Consideration of Individuals own initiative for training programme (3.27) are neither satisfied nor dissatisfied with the mean values between 3 and 4.

Table 1.2 is prepared by assigning Strongly Agree (5) to Strongly Disagree (1). The Mean and Standard Deviation of the scores of all the Compensation scale are given below

Table No: 1.2-Compensation Practices in State Bank of India (N=440)

Statements	Mean	SD
Compensation is designed on basis of seniority	3.80	1.087
Competency based compensation is followed	3.27	1.133
Share from profit is granted to employees	2.67	1.214
Stock option plans are provided as reward	2.67	1.151
Bonus is provided as reward	2.69	1.277
Commission is distributed as reward	2.78	1.388
Merit based pay system is followed	2.91	1.207
Satisfaction with salary & other perks	2.96	1.333
Top Management welcome the suggestions regarding Reward system	3.34	1.317
Satisfaction with present job and salary	3.14	1.230
Motivation of compensation leads to take keen interest in jobs	2.99	1.219

Compensation package is competitive to similar organizations	3.08	1.359
Satisfaction with job evaluation & legal regulations of pay system	3.42	1.102
Compensation matches expectancy of employees	3.44	1.183
Compensation is directly linked to performance	2.80	1.204
Revision of compensation plan move with economic situation	3.17	1.247
Salary & other benefits are comparable to market	2.73	1.371

Table 1.2 shows Compensation in Public sector bank (N=440). The respondents felt that in the Public sector bank, Compensation is designed on basis of seniority (3.80), Compensation matches expectancy of employees (3.44), Satisfaction with job evaluation & legal regulations of pay system (3.42), Top Management welcome the suggestions regarding Reward system (3.34), Competency based compensation is followed (3.27), Revision of compensation plan move with economic situation (3.17), Satisfaction with present job and salary (3.14), Compensation package is competitive to similar organizations (3.08) are neither satisfied nor dissatisfied with the mean values between 3 and 4.

Motivation of compensation leads to take keen interest in jobs (2.99), Satisfaction with salary & other perks (2.96), Merit based pay system is followed (2.91), Compensation is directly linked to performance (2.80), Commission is distributed as reward (2.78), Salary & other benefits are comparable to Market (2.73), Bonus is provided as reward (2.69), Share from profit is granted to employees(2.67), Stock option plans are provided as reward (2.67) are not satisfied with the mean values between 2 and 3.

Findings & Discussions:

- The public sector bank employees opined regarding Training & Development practices that objectives are achieved in training program(Mean=4.25), induction level training help in real terms(Mean=4.20), training help to remain updated with latest practices(Mean=4.18) and there exists need for Training (Mean=4.16).
- Moreover the employees of public sector bank agree that required material and assistance are given during training (Mean=4.15), and training is an ongoing process(Mean=4.15) and use formal evaluation methods for training effectiveness (Mean=4.14)

- Further the public sector bank employees felt that training is helpful in upgrading skills (Mean=4.13), and to know hidden talents (Mean=4.10) and contributes to a large extent in improving confidence and commitment (Mean=4.09).
- It is found that public sector bank employees agree that overall training programme is effective (Mean=4.07), induction level training help to gain clear insight of objectives (Mean=4.06), training content was relevant to objectives (Mean=4.05) in their bank.
- According to the opinion of public sector bank employees there exists formal training programmes to teach new employees (Mean=4.04) and training contribute in improving overall performance (Mean=4.01)
- Moreover public sector bank employees felt that training helps in bridging gap between supervisor & subordinate (Mean=4.00) and have ability to make innovations at workplace (Mean=4.00).
- It is found that the public sector bank employees are neutral in their opinion regarding Compensation practices.

Suggestions:

In relation to the study, the purpose of the research is to develop proposals that can help the organization to implement those HRM Practices which can enhance the employees' skills. Public sector bank has been following better ways and means in Training & Development activities which is resulting in high productivity and financial results. But Public sector bank must fix the salary and other benefits to its employees comparable to market situations. As per the results bonus is not considered as a reward in public sector bank. Hence it must provide bonus as a reward to its employees. Moreover it must follow their compensation practices which are directly linked to performance to satisfy the employees and further determine the compensation package that is competitive to similar organizations and should challenge in providing career growth and opportunities to retain the employees. In public sector bank job evaluation and legal regulations

of pay system must be at satisfactorily level and motivation of compensation must lead to take keen interest in jobs.

4. Conclusion:

Due to Globalization, Public sector banks are facing stiff competition from Private sector banks. The public sector banks are finding it difficult to cope up with competition. Most of the public sector banks are providing Training & Development facilities excellent and Compensation packages so that employees are willing to perform better. The present study reveals that Training & Development procedures is good in the bank whereas Compensation practices of the Public sector bank should be designed in such a way to make them to be on par with the Private sector banks, further transparency regarding implementation of select human resource practices in the above study must be developed among the employees of bank so that it will contribute to its betterment.

References:

1. M. Madhu Lincoin, G. Rama Krishna and K. Venu Gopal Rao, HRM Practices in Public Sector Banks and Private Sector Banks, Manglam Publications, Delhi. 2009.
2. A Study on the Methods and Effectiveness of Training in selected Public and Private sector banks in Thiruchirapalli district, Bhararhidasan University, October 2008.
3. Shikha N. Khera Human Resource Practices and their Impact on Employee Productivity: A Perceptual Analysis of Private, Public and Foreign Bank Employees in India, DSM Business Review Vol. 2, No. 1 (June, 2010)
4. Bhargava Deepti, HR Practices in Public and Private Sector Bank, (Rajsamand: IJBEMR, 2010)
5. Chakrabarty KC, RBI Monthly Bulletin Human Resource Management in Banks-Need for a New Perspective (2012)
6. Dwivedi, R.S., Dynamics of Human Behaviour at Work, Oxford & IBH Publishing
7. Jyoti Sadhum Human Resource Development in Banking Sector/. New Delhi, Serials Pub., 2008, x, 198 p., tables, ISBN 81-8387-172-3.
8. Pareek, V. and Rao, T.V. (1981). Designing and Managing Human Resource Systems, Oxford & IBH Publishing Co., New Delhi.

9. A. Al_Qudah, H., Osman, A., & M. Al_Qudah, H. (2014). The Effect Of Human Resources Management Practices On Employee Performance. *International Journal of Scientific & Technology Research*, Volume 3(Issue 9), 129-134. Retrieved September 19, 2015, from <http://www.ijstr.org/final-print/sep2014/The-Effect-Of-Human-ResourcesManagement-Practices-On-Employee-Performance.pdf> 7.
10. Shaukat, H., Ashraf, N., &Ghafoor, S. (2015). Impact of Human Resource Management Practices on Employees Performance. *Middle-East Journal of Scientific Research*, Volume 23(Issue 2), 329-338. doi:10.5829/idosi.mejsr.2015.23.02.22117.
11. Gaikwad, S., &Deshmukh, U. (2015). HRM Practices in Selected Public and Private Sector Banks. *Glacier Journal of Scientific Research*,118. Retrieved September 19, 2015, from http://www.glacierjournal.org/upload/papers/1440239850-HRM_PRACTICES_IN_SELECTED_PUBLIC_AND_PRIVATE_SECTOR_BANK.doc.
12. Esha Mehta, (2016), “Literature Review on HR Practice in Banking Sector”, *International Research Journal of Engineering, IT & Scientific Research, (IRJEIS)*, Vol. 2 Issue 7, July, pp. 90~97, ISSN: 2454-2261, pp. 90-97.
13. Abhishek Anand, B. N. Balaji Singh & Dr. Bijoya Ganguly, (2017), “A Comparative Study of Human Resource Development Policies With Reference To Job Satisfaction of Employees of Bank of India and Housing and Development Financial Corporation (HDFC) Bank”, *International Journal of Arts, Humanities and Management Studies, (IAHMS)*, ISSN 2395-0692, Vol.3, No.2, Feb, pp. 17-34.
14. www.sbi.co.in