

A Study on HRM Practices and Employee Performance in Public Sector Banks in Thiruvananthapuram District

Neethu S Gopinadh

Research Scholar, Banasthali Vidyapith, Rajasthan, India

Abstract - Successful organizations are increasingly realizing that there are number of factors that contribute towards performance, but human resource is that important factor without which other factors are negligible. Human Resource is base for every organization because in absence of manpower an organization cannot run. As banks are based on the performance of their employees and their performance is linked with the human resource practices provided by their banks for their growth and development in this sector. So it is necessary for every bank to provide them better practices so that banks can stand in this competitive environment. Because banking by far is the most dominant segment of the financial system and play a pivotal role in the development of a sound economy all sorts of financial transaction are carried out by the banks and their major function is to attract deposits from public and then circulate it among the public for the purpose of lending and investing programs from millions of people government and business organizations. In the present scenario, the Indian banking industry needs efficient and low cost HR Practices to make banking system stronger. The success of today's Banking business will mainly depend on the human resource of the organization in which it plays a crucial role in providing the service needed. It is very important that the detail of human resource is discussed along with the employees to build their own career planning perception and development.

BACKGROUND

Human resource management is a management function involving procurement of suitable human resources train and develops their competencies. Motivate them. Reward them effectively and create in them an urge to be part of the management team whose aim should be render, dedicated committed services for the success and growth of the organization. The study of human resource management practices has been an important and critical area in management and organizational performance from last several years especially in the banking industry. HRM practices

refer to organizational activities directed at managing the pool of human resource and ensuring that the resources are employed towards the fulfillment of organizational goals.

Human Resource Development (HRD) is the process of increasing the capacity of human resources through the development. Human Resource Development is something that everyone does. Individuals do it as they work to develop themselves; managers do it as they work to support others' development and the Human Resource Development staffs does it, as they create the overall development tools for an organization. Thus, it is a process of adding value to individuals, teams and the organization as a human system. In a larger context, Human Resource Development refers to empowering people and enabling them to use their power for development of the organization to which they belong and society at large. It refers to developing pro-activity and capacity to embrace larger issues.

STATEMENT OF THE PROBLEM

This study will propose appropriate HRM strategies, polices, processes, program and practices and the possible outcomes in the bank settings. The study helps to know HRM practices and employee performance in public sector banks in Thiruvananthapuram district and also to know use of technology in maintaining the employees in new competitive era. The study helped us to know the current practices in banks to manage their employees. The study helps to the policy maker's researches and bankers etc. Further it would be also use the formulation of bank policies related to the HRM practices in a banking sector. Therefore the present study focus on HRM practices in public sector banks in Thiruvananthapuram district.

OBJECTIVES OF THE STUDY

- To find out the HR practice in Public sectors banks
- To evaluate the employee performance Public sector banks
- To find out the significance difference between HR practice and demographic variables of employees in Public sector banks

SCOPE OF THE STUDY

The present study highlights the impact of human resource policies and practices on employee performance of the public sector banks in Thiruvananthapuram district of Kerala. It also limelight's the awareness about the bank's objective and policies among the sample respondents. So, this research can help to policymakers who carve up the HR policies in the banking sector.

LITERATURE REVIEW

Ramakrishna and Srinivasa Rao, (2017) made an attempt to compare the human resource management (HRM) practices of public and private sector banks in Telangana state. In this study, employees from the leading public sector bank - State bank of India and ICICI Bank from the private sector were included as sample respondents. A sample of 360 employees working in these banks at different levels was contacted for the purpose of soliciting the opinions on the subject. The convenience and judgement sampling method was adopted for select sample respondents. It was found that the HRM practices in the Indian banking industry had evolved over a period of time and the HRM practices of Indian private sector banks were better than the Indian public sector banks.

Ramakrishna and Srinivasa Rao, (2017) made an attempt to review the existing literature on the HRM practices of various Indian banks. Earlier research studies at the national level and various state-level research studies had been examined to understand the HRM practices of the Indian banking industry. It can be concluded from this research that the HRM practices followed in the private banking sector were marginally superior to the HRM practices adopted by the public sector banks. The growth in the Indian banking sectors with new players entering the market

and the challenges faced during consolidation of public sector banks soon were likely to pose new challenges for HRM practices in the Indian banking industry.

Ritambhra Goswami, et al., (2017) analyzed in their research that the training and development practices in public banking sector and private banking sector. Also, they reported that Training and Development was a key factor in human resource management practices. It enabled an employee to develop their skills to get the better results in their performance. Some changes had also been considered with the change of economic scenario in training and development. In spite of the fact that challenges and difficulties occurred also in the training and development department of both public sector banks and private sector banks yet from the study it might be inferred that training of private banks was superior to public sector banks. It was concluded that as compared to the public banking sector private banking sector were more conscious to provide training to their employees.

Shaheeb Abdul Azeez, (2017) aimed in the study to identify the relationship between HRM practices and employee retention based on the literature review. The objectives of this research were to find out the various research works that had been done in the area of HRM practices and employee retention, to highlight the various factors which affected retention initiatives in an organisation and to explore the relation between HRM practices with job satisfaction leading to employee retention. Although this research tried to explore the area of HRM practices and employee retention by the various researchers, still much scope remaining for more exploration in the field of HRM practices and employee retention. Factor analysis was used for analyse the collected data. It was found from the research that the direct relationship between HRM practices and job satisfaction leading employee retention. Thus, the job satisfaction and turnover negatively correlated to one another. Also, the model clearly defined the HRM factors existed in the organisation will not only help to attract new employees but will lead to retain the existing employees in the organisation.

RESEARCH METHODOLOGY

TYPES OF RESEARCH

This study adopted a descriptive survey that aimed at determining the HR practices by public sector banks in Thiruvananthapuram district

AREA OF THE STUDY

HR practice and employee performance in selected public sector Banks in Thiruvananthapuram district is the area of study

SOURCE OF THE DATA

The secondary data furnished useful and necessary information that supplemented the qualitative aspects of research findings. For this purpose, the secondary data were collected from all associated sources that included books on human resource management, job satisfaction, research journals, magazines and periodicals, internet web sources and libraries of reputed universities, institutes in and around TVPM. In order to fulfill the objectives set, the primary data were collected in the form of responses from private banks and foreign banks employees in Thiruvananthapuram district. The employees were the respondents who provided the information regarding their understanding, experience, opinion about the awareness on objectives and policies of bank, various dimensions of HR practices and policies, employee productivity and job satisfaction. The study was undertaken by using a well-framed questionnaire that was duly filled by the respondents. The respondents were selected from Thiruvananthapuram district. A noteworthy feature was that the respondents filled the questionnaire with much zeal. This was due to the high level of literacy among the employees working in Public sector banks

POPULATION OF THE STUDY

The universe of the study is the Public sector bank employees working in Thiruvananthapuram district

SAMPLING DESIGN AND TECHNIQUE

This study analyses the impact of HR practices and policies on employee productivity and job satisfaction among the employees working in public sector banks in Thiruvananthapuram district of Kerala. A descriptive research was carried out by applying a survey method. The nature of this study demands survey method, keeping in sight the basis of the study, simple random sampling was used to achieve

representativeness in the selection of respondents. The questionnaire was distributed through the HR team managers, while ensuring confidentiality of the responses collected.

DETERMINATION OF SAMPLE SIZE

Total 5 public sector banks have been selected for the study. The selection of the banks has been based on their profitability and capital base ranking.

The 5 public sector banks selected for study are:

- State Bank of India
- Canara Bank
- IOB
- Indian bank
- Bank of India

Sample size for this study was determined by using mean method [186]. The mean method define as number of standard deviations point on a distribution is away from the mean.

DATA ANALYSIS

H0: HR practices are having a negative impact on employee performance.

H1: There is a positive relationship between HR practices and employee performance.

Table No.5.2

Correlations		HR practices	Performance
HR practices	Pearson Correlation	1	.724**
	Sig. (2-tailed)		.000
	N	186	186
Performance	Pearson Correlation	.724**	1
	Sig. (2-tailed)	.000	
	N	186	186

** . Correlation is significant at the 0.01 level (2-tailed).

Inference

Table No.5.1 exhibit the correlation between HR practices and employee performance in Public sector Banks. As per the correlation Table, the value of Pearson’s co efficient of correlation is .724. It shows that there is a high positive correlation exists between HR practices and employee performance. The Sig. (2-tailed) value is .000. As the Sig. (2- tailed) value is less than the alpha value (.05), we can reject the null hypothesis. It means that there is a significant positive

correlation between HR practices and employee performance in Public sector Banks.

Null hypothesis: There is no significance difference between demographic variables and opinion about HR practice.

Chi – square Test

Table No.5.3

	N	Chi-value	P-value	Significant value
Gender * opinion about HR practice	186	433.248	.000	0.05
Age * opinion about HR practice	186	308.801	.000	0.05
Education* opinion about HR practice	186	272.702	.000	0.05
Income * opinion about HR practice	186	146.175	.000	0.05
Marital status * opinion about HR practice	186	301.221	.000	0.05
Experience* perception towards performance appraisal practices	186	143.639	.001	0.05

Inference

Table No. 5.2 shows the chi square test of demographic variables and opinion about HR practice. The demographic variables used for the test are gender, age, marital status, education, income and experience.

The chi square analysis of the gender and opinion about HR practice shows that the p (0.000) value is less than the alpha value (P<0.05). The value of Pearson Chi-Square is 433.248. As the p value is less than the alpha value, the null hypothesis is accepted. It indicates that there is no significance difference between gender variables and opinion about HR practice.

The chi square analysis of the age and opinion about HR practice shows that the p (0.000) value is less than the alpha value (P<0.05). The value of Pearson Chi-Square is 308.801. As the p value is less than the alpha value, the null hypothesis is accepted. It indicates that there is no significance difference between age and opinion about HR practice.

The chi square analysis of the education and opinion about HR practice shows that the p (0.000) value is less than the alpha value (P<0.05). The value of Pearson Chi-Square is 272.702. As the p value is less than the alpha value, the null hypothesis is accepted. It

indicates that there is no significance difference between education and opinion about HR practice.

The chi square analysis of the income and opinion about HR practice shows that the p (0.000) value is less than the alpha value (P<0.05). The value of Pearson Chi-Square is 146.175. As the p value is less than the alpha value, the null hypothesis is accepted. It indicates that there is no significance difference between income and opinion about HR practice.

The chi square analysis of the marital status and opinion about HR practice shows that the p (0.000) value is less than the alpha value (P<0.05). The value of Pearson Chi-Square is 143.639. As the p value is less than the alpha value, the null hypothesis is accepted. It indicates that there is no significance difference between marital status and opinion about HR practice.

The chi square analysis of the experience and opinion about HR practice shows that the p (0.000) value is less than the alpha value (P<0.05). The value of Pearson Chi-Square is 301.221. As the p value is less than the alpha value, the null hypothesis is accepted. It indicates that there is no significance difference between experience and opinion about HR practice.

H0: There is no association between HR practices and its factors

Table No.1

variables	Pearson Correlation	Sig. (2-tailed)
Recruitment and selection	.727**	.000
Compensation practice	.809**	.000
Training practice	.860**	.000
Performance Appraisal	.881**	.000
promotion	.841**	.000
Career development	.802**	.000

Inference

Table No. 1 shows the correlation analysis of the HR practices and its factors. The factors of HR practices are Recruitment and Selection, Compensation, Training practice, Performance Appraisal, Promotion and Career development. The table clears that all the factors are positively correlated with HR practices. Here the p value is less than the alpha value, hence the null hypothesis is rejected. It shows that there is a significant positive association between HR practices and its factors.

FINDINGS

The major findings of the study are

1. Correlation analysis shows that there is a significant positive correlation between HR practices and employee performance in Public sector Banks.
2. There is no significance difference between demographic variables and opinion about HR practice.
3. There is a significant positive association between HR practices and its factors.
4. Multiple regression analysis shows that there is significant relationship between the employee performance and HR practice

SUGGESTIONS

- The management of respective banks may able to raise the level of commitment in banks by increasing satisfaction with the specified HR practices.
- Suitable working environment should be designed in banks through HR practices and policies. The organizations should provide adequate facilities employees to do their works such as appropriate equipment, work breaks and work sharing.
- It is outlined from the results that assistant manager felt the maximum level of HR practices for safety, health and wellness. HR practices are essential to empower the employees or divisions for handling different issues in banks. The divisions should be incorporated with well-organized human resource information systems and modern information technology facilities.
- All banks should allocate sufficient budget and sends competent employees to international conferences and seminars to prepare them for the competitive knowledge at global level market.

CONCLUSION

The study mainly focused on the impact of Human Resource practices and policies on employee productivity and job satisfaction in private and foreign sector banks with special reference to Coimbatore district. The achievement of banks fundamentally relies upon the intellectual development of the banks workers. Alongside intellectual development of the knowledge worker, technical infrastructures of the

bank must be guaranteed to enhance the effectiveness of the employee and the bank. The public sector banks need to take inception to change in their HR policies and practices, in order to compete with private and foreign banks in current circumstances. Bank should spread out their HR practices in all branches and develop strong HR polices. Decision making power and responsibility ought to be legitimately circulated to all HR managers. Bank should give some essential power and role to HR executives to approve the HR departments. This will help to recruit and maintain skilled, knowledgeable and well performed workforce to meet current and future organizational as well as individual needs. Henceforth, the private sector banks in India have to utilize many opportunities to meet certain challenges under the changed circumstances. Employee performance is an important factor that contributes to develop the productivity through good behavior and traits of the employees of a functional team in an organization. Also, employee performance is the most important factor in an organization success so, there is an essential to adopt effective human resource policies that aim to improve employee productivity with job satisfaction creates the culture of high performance in any organization based on human resource practices. Thus, this study concluded that HR practices and policies pave the way for improving and raising employee productivity in bank sector and leading to the achievement of organizational objectives, employee satisfaction and long term sustainability.

REFERENCES

- [1] Workineh Bayisa Jima, & Prof. Satya Raju, R. (2015). Strategic Role of Human Resource Managers in Ethiopian Banking Sector: A Survey Study of Selected Banks in Ethiopia. ZENITH International Journal of Business Economics & Management Research, 5(2), 73-85.
- [2] Aliya Parvin, & Shaifuzzaman Shamim, (2016). Human Resource Management Practices of Mutual Trust Bank Limited Bangladesh. International Journal of Business Marketing and Management, 1(3), 79-97
- [3] Dr.Ikhlas I Altarawneh, (2016). Strategic Human Resources Management and its Impact on Performance: The Case from Saudi Arabia. International Journal of Business Management and Economic Research, 7(1), 486-503.

- [4] Lawrence Bello Maimako, & Abdu Ja'afaru Bambale, (2016). Human Resource Management Practices and Employee Job Satisfaction in Kano State owned Universities: A Conceptual Model. *Journal of Marketing and Management*, 7(2), 1-18.
- [5] Md. Nurun Nabi, Md. Syduzzaman, & Md. Shayekh Munir, (2016). The Impact of Human Resource Management Practices on Job Performances: A Case Study of Dhaka Bank Pvt. Ltd., Bangladesh. *Human Resource Management Research*, 6(2), 45-54.
- [6] Naeem Akhter, Aizaz Hussain, Muhammad Usman Sohail Bhatti, Faheem Shahid, & Hafiz Muhammad Ehsan Ullah, (2016). Impact of HR Practices on job Satisfaction: A Study on Teachers of Private and Public Sector. *International Review of Management and Business Research*, 5(2), 572-584.
- [7] Ms. Namrata Anand, (2016). Impact of Human Resource Practices on Job Satisfaction: Evidence from Indian Public Sector Banks. *International Journal of Engineering Technology Science and Research*, 3(1), 115-122.
- [8] Nazar Omer Abdallah Ahmed, (2016). Impact of Human Resource Management Practices on Organizational Citizenship Behavior: An Empirical Investigation from Banking Sector of Sudan. *International Review of Management and Marketing*, 6(4), 964-973.
- [9] Dr. Ponduri, SB. (2016). Quality of Human Resource Information Systems at Commercial Bank of Ethiopia (A Case Study of Dessie District at Dessie, Ethiopia). *International Journal of Research, Granthaalayah*, 31-41.
- [10] Dr. Poonam Madan, & Jasleen Kaur Bajwa, (2016). Human Resource Management Practices and their Impact on the Job Performance of Employees with Special Reference to Banking Sector. *International Journal of Engineering Technology, Management and Applied Sciences*, 4(4), 30-34.
- [11] Dr. Priyaka Khanna, & Ms. Manu Sehgal, (2016). A Study of HRM Practices and its effect on Employees Job Satisfaction in Private Sector Banks with Special Reference to ICICI Banks in Ludhiana. *IPASJ International Journal of Management*, 4(7), 36-43.
- [12] Rakesh Kumar, (2016). Human Resource Development and Indian Banking Sector. *International Journal of Research in Finance and Marketing*, 6(7), 127-130
- [13] Saira HASSAN, (2016). Impact of HRM Practices on Employee's Performance. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 6(1), 15- 22.
- [14] Teju kujur, & Mushtaq Ahmad Shah, (2016). Innovative Human Resource Practices In Indian Banks: A Study From Hr Manager's Perspective. *Vandana Saxena Int. Journal of Engineering Research and Application*, 6(3), 40-48
- [15] Thanuja, P., & Suja S. Nair, (2016). A Study of HRM Practices in Public and Private Banks with special reference to Nellore District. *Int. Journal of Management and Development Studies*, 5(7), 44-53.
- [16] Ms. Uzmi Anjum, & Mr. Moiz Akhtar, (2016). Role of Human Resource Development Practices in Various Services Sectors of India. *International Journal for Scientific Research & Development*, 2(10), 21-25.
- [17] Dr. Vignesh, G., & Madhan Kumar, B. (2016). Human Resource Practices in international banks located in Pollachi, Coimbatore district. *Intercontinental Journal of Human Resource Research Review*, 4(3), 49-58.
- [18] Abdul-Kahar, A., & Sulaiman, ESB. (2017). The History and Practice of Human Resource Management (HRM) in Ghana s Policies Perspective towards Improving Public Sector Administration for Good Governance. *Journal of Political Sciences & Public Affairs*, 5(3), 1- 9
- [19] Abdus Salam Sarker, (2017). Human Resource Management Practices and Employee Performance in Banking Sector of Bangladesh. *Journal of Human Resource Management*, XX(1), 68-80.
- [20] Dr. Anchal Rastogi, & Garima Srivastava, (2017). E-HRM: Emerging HR Practices in Private Banks. *International Journal of Engineering and Management Research*, 7(3), 111-116.
- [21] Dr. Chanderjeet, (2017). HRM practices in public sector banks of India. *International Journal of Applied Research*, 3(7), 626-628.
- [22] Chijioke Nwachukwu, & Helena Chladkova, (2017). Human Resource Management Practices

- and Employee Satisfaction in Microfinance Banks in Nigeria. *Trends Economics and Management*, 28(1), 23-36
- [23] Darshana S. Rohit, (2017). Human Resource Development: Policies and practices in private sector banks in Gujarat. *Voice of Research*, 6(1), 44-49.
- [24] Hilda Ghaleb Madanat, & Anis S. Khasawneh, (2017). Impact of total quality
- [25] Shaheeb Abdul Azeez, (2017). Human Resource Management Practices and Employee Retention: A Review of Literature. *Journal of Economics, Management and Trade*, 18(2), 1- 10.
- [26] 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.
- [27] Dr. Tapasya Julka Malhotra, & Ms. Shravasti Jain, (2017). Impact of E-HRM Practices on Employee Satisfaction. *International Journal of Science Technology and Management*, 6(02), 764-770.
- [28] Yousif El-Ghalayini, (2017). Human Resource Management Practices and Organizational Performance in Public Sector Organization. *Journal of Business Studies Quarterly*, 8(3), 65-80
- [29] Hitu, & Satyawan Baroda, (2018). Impact of Talent Management Practices on Employees' Performance in Private Sector Bank. *International Journal of Management*, 9(1), 16-21.
- [30] Tamanna Parvin Eva, (2018). Recruitment and Selection Strategies and Practices in the Private Sector Commercial Banks of Bangladesh: Evidence from Human Resource Practitioners. *European Business & Management*, 4(1), 28-38.