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RESEARCH ARTICLE

A STUDY ON HRM PRACTICES IN SBI, A CASE STUDY OF GORAKHPUR DISTRICTS.

Shalini Gupta.

Dept. of Business Administration, DDU Gorakhpur University, Gorakhpur, U.P., India.

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Abstract

Banking was a thriving industry in ancient India. Initially, the Industrial houses pioneered banks with a view to generating funds for productive activities and at the same time offered considerable security, liquidity and fair returns to the depositors.

This study attempts to evaluate Motivation level of bank employees in Gorakhpur UP. It focuses on the relative importance of causes of employee motivational factors and their impacts on the overall service. It also investigates the impacts of age, and Income, education toward employee motivation. A questionnaire has been prepared including different reasons of low motivation and various measures to make an increment in the motivation level which would have been practiced in the Organization of banking sector. The study is the outcome of the primary data only. The requisite primary data namely, opinions on the determinants of motivational level, their importance and impact were collected through the help of a structured questionnaire using direct interview and also observation methods

In a way, banking continued to be a traditional industry till 1969. When major banks were taken over by the Government of India. With the nationalization, banks ceased to be funding agencies only for industrial sector and became a vivacious instrument of social change more statistical data are available in support of the preposition that there is a phenomenal growth of banking industry.

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Introduction:-

Banking industry viewed from personnel angle has its peculiarities. It is a labour intensive industry and efficiency of employees has got a bearing on the quality of services offered. This being the case, it should have been natural that professionalization of personnel management should have gained better priority but unfortunately personnel management should have gained better priority but unfortunately personnel happened to be the most neglected aspect of banks management. The typical working of banks as such does not require any professional training not require any professional training and here is an industry where it is strongly believed that everyone can do anything and as one knows no body does much to the prosperity of the organization. This aspect is further accentuated by the fact that banks operate in a seller market with total absence of an element of competition and the prices of deposits accepted is determined by the banks, but by an external agency like the RBI and the GOI. In a sheltered environment like this, the need for professionalization of bank management was never felt personnel happened to be managed by a non-expert and usually by a mediocre officer who could not otherwise prosper on banking operations. With the implementation of recommendations of Pillai Committee a controversy was ranging among bankers whether or not

Corresponding Author:-Shalini Gupta.

Address:-Dept. of Business Administration, DDU Gorakhpur University, Gorakhpur, U.P., India.

Personnel Management is a specialized function. In the absence of scientific personnel practices being developed in the banking industry, a discontent workforce emerged which strengthened the trade union movement in banking industry.

HRM in Banks:-

The HRM practices in banks are gradually forging ahead. A majority of the banks have set up separate HRD Departments (HRDDs) within a decade of functioning; HRDDs in some banks have gained certain creditable achievements. The blanket criticism of the existing HRM functions as “Ornamental Appendages cannot be justified. However, it is true that functioning in a majority of the banks is far from satisfactory.

India is being widely recognized as one of the most exciting emerging economics in the world. Besides becoming a global hub of outsourcing, Indian firms are spreading their wings globally through mergers and acquisitions. During the first four months of 1997, Indian companies have bought 34 foreign companies for about U.S. \$11 billion dollars.

The functioning of the HRDD in certain other banks shows a transition towards HRD functions. In these banks, along with training, certain other activities like manpower planning and performance appraisal have been introduced yet, a few other banks have made rapid strides as far as the introduction of new HRM activities and sub-systems, such as systematic induction, quality circles, staff meetings are concerned besides introducing these systems, some banks have also taken appreciable efforts in perfecting certain system like training and performance appraisal, Nevertheless, there is a widespread feeling in the banking industry that there are no sufficient pay offs from the HRM functions and the system at the operational level are relegated to the level of rituals. The linkages between HRD systems and other related such systems in HRM are also not apparent.

Objectives of Human Resource Management:-

According to the Indian Institute of Personnel Management, “Personnel Management aims to achieve both efficiency and justice neither of which can be pursued successfully without the other. It seeks to bring together and develop into an effective organization the men and women who make up an enterprise, enabling each to make up an enterprise, enabling each to make his or her own best contribution to its success both as an individual and as a member of a working group. It seeks to provide fair terms and conditions of employment and satisfying work for those employed”.

The general objective of personnel (or) human resource management is to contribute towards the realization of the organizational goals. **The specific objectives of personnel management may be listed as follows:**

- To achieve and maintain good human relationships within the organization.
- To enable each person to make his maximum personal contribution to the effective working of the organization.
- To ensure respect for human personality and the well-being of each individual.
- To ensure maximum individual development of personnel.
- To ensure satisfaction of various needs of individuals for achieving their maximum contribution towards organizational goals.

Challenges faced by Banking Industry:-

Here are the ten challenges that the HR function in India faces:

1. The first and foremost challenge that HR function in India faces is to convert the abundant population pool into useful human resource.
2. Training and development of human resource to match ever changing industry demands requires HR to develop new and innovative ideas that suit individual as well as industry criteria.
3. Employee motivation and satisfaction is another area of concern for the HR today. In order to reduce attrition, rate HR needs to realize that monetary needs are not the only drive for an individual and that a sense of belongingness must be imbued in employees.
4. With the increase in number of job options available nowadays, the HR function of an organization must take care that they hire those people who believe in long-term commitment to the organization. The HR then must take up the challenge of retaining them by developing retention techniques like Holiday plans fun-at-work etc.
5. Because of cutthroat competition, HR in India also faces the task of building Competitive advantage for the company over national and international competitors.

6. The growing importance that companies are nowadays giving to cost-cutting has posed HR with the challenge to minimize expenditure on HR not compromising on the productivity

Statement of the Problem:-

Banking is now a part of the larger financial service industry. The number of players in the market and the range of services and facilities offered are increasing, thereby signifying more intense competition. The new economic environment has posed new challenges and opportunities for the banks. In contrast to the largely service based competition that banks have witnessed hitherto, the competition is now manifesting itself in the form of technology based competition and price based competition as well. The advent of new technologically well-equipped, structurally lean and capital strong banks is going to make a difference in the markets in terms of the range and the cost of services offered as also the speed and efficiency with which customer expectations are met. To survive in an intensely competitive market, banks must measure up in terms of efficiency. Market related as well as internal and one crucial factor that makes a big difference to competitive efficiency for any bank is the human resource factor.

It is against this backdrop that whole lot of HRM initiatives have to be taken by Indian Banks. Banks have to tone up their employees knowledge and skills. Attitudes have to be changed to equip them to meet the increasing client expectations. Realizing the importance of customer oriented corporate culture and continuous up gradation of skill of their manpower in ensuring growth and maintaining its pre-eminent position, the banks heralded in redesigning the HRM area. It is a considerable study had yet to be made on the HRM aspects of banks as only in the last decade, several HRM systems have been evolved and experimented. This is an area in which banking industry needs considerable change in the basic premises for human resource management and development. Hence, the present study entitled “**A STUDY ON HRM PRACTICES IN SBI, A CASE STUDY OF GORAKHPUR DISTRICTS.**”, has been undertaken. The area covered is Gorakhpur district only and the study is restricted to the public sector banks.

Significance of the Study:-

The HRM is a growing concept. It has tremendous relevance to service sector like banking. Human input is the single largest input that goes in the banking industry. The level of efficiency/production of this input gets reflected in the quality of service offered by banks to its customers, as also in its ultimate growth, productivity and profitability. Hence, the banks today lay great stress on HRM functions.

Objectives Of The Study:-

1. To study the multifarious functions of HRMs in SBI and their relevance in achieving the targeted bank objectives.
2. To list out the prevailing HRM Mechanisms/tasks/assess how well HRM tasks are performed in SBI.
3. To study about the motivation factors influence the employee in SBI.
4. To study about the effectiveness of training system as well as performance appraisal system as followed in SBI.
5. Based on the findings, to offer suggestions for improvements in the HRM system as applicable to SBI.

Methodology:-

There are so many SBI branches presently functioning in Gorakhpur. The study embraces in its fold on SBI in Gorakhpur District. The sample units thus account for roughly taken 150 employees working in SBI.

The data collected for the present study are primary as well as secondary in nature. For analyzing and compiling the data the following sophisticated statistical tools are used apart from the use of simple tools like averages and percentages.

Chi-square Test:-

The above tests are used to identify the opinion level of the bank employees in the public sector banks in the Gorakhpur District.

Framework of Analysis:-

The perspectives of the HRM systems adopted by SBI in India, particularly in Gorakhpur District is examined from data collected from published and unpublished sources such as Books, Journals, Various study groups, Special enactments, Reserve Bank of India Bulletins, Annual reports and Reports published by the Government of India. The primary data is collected through the questionnaire method.

Hypotheses:-

- a. There is no association between age and level of motivation on over all services.
- b. There is no association between education and level of motivation on over all services.
- c. There is no association between income and level of motivation on over all services

Limitations of the study:-

1. As the variable involved in human being, the conclusions are subjective and cannot be taken as universally applicable. Moreover, the findings depend on people who have answered the questions and are subject to their personal prejudices and whimsical fancies.
2. The delimitations of the questionnaire are equally applicable to the present study as well.
3. The sample size is roughly 10% of the public sector banks in Gorakhpur district. The time and cost constraints have prevented the researcher in taking sample on a large scale.

Literature Review:-

1. "Management of Human Assets" by M.G.Rao, a compendium, threw light on the complexities of Managing human beings in the present day organizations. The various aspects of HRM in relation to small scale units operating in industrial estates have been presented initially, followed by theoretical presentation on HRD, different aspects of training, organizational development, employee participation, etc. The effects of training and employee developmental activities have also been put to close examination. It also been put to find how the employee related activities flourish in various other sectors like urban government, co-operatives, informal sector and small sector.
2. "HRM 2000" by P.Subbarao, a compendium, presented the various developments in the HRM in a comprehensive form. It is also attempted to look into the current trends in Human Resource Function with a view to outline the future development that are likely to take place in the years ahead. It also discussed in a lucid manner the topics such as job analysis, job evaluation, employee benefits, recruitment and selection, line staff conflicts, social responsibility policies along with other current topics such as organizational culture and climate, organizational politics, organizational effectiveness, follower ship, participative management, dual career problems, quality of worklife, quality circles and organizational development.
3. "Emerging Issues in Human Resources Management by PramodVerma, a volume, attempted to present state-of-the-art explanations and experiences on the emerging issues in managing human resources in various organizations.
4. "Excellence through Human Resource Development" by M.R.R Nair and T.V.Rao, an edited compendium, focused on chief executives views and experiences on HRD. It also dealt with the HRD Philosophy, importance, macro level issues, expectations of line managers and workers from HRD, role of HRD managers, dimensions of developing HRD facilitators and programmes.
5. "Management of Human Resources in Public Enterprises" edited by S.Ravishankar and R.K.Mishra provided an understanding of the system of HRM rather than merely the activities assigned to those who provided various personnel services for effective public enterprise management. It also gave a balanced and comprehensive grasp of the concept, problem, approaches and strategies of HRM.
6. JayanthiLal Jain, in his study entitled "An Empirical Model on Micro-Level Manpower Planning in Banks", presented an empirical model for micro-level manpower planning in banks and provided a framework required for evolving certain norms which have already been in vogue in the Indian Bank and have proved to be extremely useful in planning as well as allocating staff to various branches of the bank. It also suggested values of parameters/norms to be used in micro-level manpower planning and provided a frame work for assessing the viability of norms and gave guidelines for proper implementation of those norms.
7. "A Micro-Level Manpower Planning Model for Banks" by JayanthiLal Jain and K.Balachandran, was a modified version of the model suggested by the first author (previous reference) after incorporating the changing requirements of public sector banks for optimal distribution of manpower, of course without any change in the basic model.
8. "Leadership styles among Bank Managers" by O.P.Misra and S.K.Srivastava, a research study, studied the leadership style which is one of the objectives of HRD and its effectiveness among bank managers belonging to nationalized and private sector banks and relationships between styles and effectiveness among 45 sample managers selected from nationalized and private sector banks.
9. Uma Sekaran in his study entitled "The perceived quality of working life in banks in major cities in India", examined the QWL in the Indian Banking Industry as perceived by organizational members at different organizational levels and in different job positions, several variables such as competence, performance,

involvement and satisfaction with various facets of the work life were taken into consideration for the purpose, since these are all indices of the QWL.

10. "Organisational Effectiveness in Banks" by UshaSunderarajan determined the factors with contribute a) to organizational effectiveness and b) to differences, if any, in the effectiveness of public and private sector organizations. The study compared the various climate factors which tend to increase or diminish the effectiveness of organizations, taking into account two public sector banks and one private sector bank.
11. "Innovative practices followed by State Bank of India for educating and developing their employees" by K.Rajendra Prasad, a case and an exploratory study, dwelled upon few of creative and innovative efforts in SBI, Viz., Performance Appraisal, Quality Circles, Job Rotation, Training and Assessment, HRD Quiz, Self – Learning Centre actions, Messenger to Manager Programmes, Organisation Development Intervention exercises, etc., all of which are aimed at training and developing the bank's workforce.
12. R.Prakasam, in his study entitled "Job Rotation Practices in Banks and Employee Attitudes", empirically examined the present state of affairs in the banks in terms of the extent of job rotation practices and the major obstacles faced by them in implementing the same. It also studied the extent of job-rotation practices in the organization. The analysis was based on the data obtained from the NIBM'S employee opinion survey. This nation-wide survey collected from the opinions and reactions of about 7,000 bank employees representing the SBI and other fourteen major nationalized banks from all parts of the country, regarding the various personal policies of their respective banks.
13. "A study of motivation profile of SBI officers", by Prabhat Kumar and RakeshRastogi, identified the factors that will motivate officers to give their best performance(in terms of both quality and quantity) to the bank, the level of availability of these factors and main causes of frustration in the bank.
14. 15. "An empirical study of bank manager's functioning in rural Punjab" by Rajeev Kansal, identified various factors or characteristics such as political nterference, lack of confidence in the banking staff, disinterestedness to maintain cost-effectiveness, lack of confidence, impact of trade unionism, proper decentralization of power at the lower level, lack of impartiality, fairness and security, which make a bank manager effective.

Analysis and Discussion:-

Association between Personal Profile Factors and Level of Motivation on Over All Services

The association between the personal profile factors namely Age, sex, education, monthly income, occupation, and employee motivation was analyzed in this section. The chi square test is used at 5% level of significance.

Association between Level of motivation on over all services and Age:-

The association between age and level of motivation is analyzed and the results were given in the following bivariate Table 1

Null Hypothesis: H₀ : There is no association between Age and Level of motivation.

Table 1:-

Particular Age	Level of Motivation			Total
	Low	Medium	High	
Below 25	1	7	5	13
	0.40%	1.17%	0.77%	8.67%
25 -35	6	14	18	38
	2.40%	2.33%	2.77%	25.33%
35-45	10	26	19	55
	4.00%	4.33%	2.92%	36.67%
45-60	8	13	23	44
	3.20%	2.17%	3.54%	29.33%
Total	25	60	65	150
	16.67%	40.00%	43.33%	100.00%

Sources : Primary Data

In order to find the relationship between Age and Level of Motivation on over all services, a chi-square test was used and result of the test is shown in the following table -1

Table 1:- Age * Level of Motivation Chi-Square Tests

Age	Value	df	P value	Remark
Chi-Square	5.435	9	.48934	Not Significant

It is noted from the above table that the „p; value is greater than 0.05 and hence the result is not significant at 5% level. Hence the hypothesis Age and the Level of motivation are not associated hold well. From the analysis it is concluded that there is no close relationship between the Age of the respondents and Level of motivation.

Association between Education and Level of motivation on over all services:-

The association between Education and level of motivation on over all services is analyzed and the results were given in the following bivariate table 2.

Null Hypothesis: H₀ : There is no association between Education and Level of motivation on over all services.

Table 2:-Education * Level of motivation on over all services.

Particular Education	Level of satisfaction on over all services				Total
	Disagree	Undecided	Agree	Strongly agree	
PG	9 4.09%	8 3.33%	21 3.96%	16 3.14%	54 36.00%
UG	10 4.55%	13 5.42%	23 4.34%	26 5.10%	72 48.00%
HSC	2 0.91%	1 0.42%	7 1.32%	9 1.76%	19 12.67%
SSLS	1 0.45%	2 0.83%	2 0.38%	0 0.00%	5 3.33%
Total	22 14.67%	24 16.00%	53 35.33%	51 34.00%	150 100.00%

Sources : Primary Data

In order to find the relationship between Education and Level of motivation on over all services, a chi-square test was used and result of the test is shown in the following table 2.1.

Table 2.1:- Education* Level of motivation on over all services Chi-Square tests.

Age	Value	df	P value	Remark
Chi-Square	7.4692	9	.58838	Not Significant

It is noted from the above table that the „p; value is greater than 0.05 and hence the result is not significant at 5% level. Hence the hypothesis Education and the Level of Motivation of overall services are not associated hold well. From the analysis it is concluded that there is no close relationship between the Education and Level of Motivation of overall services.

Association between Income and Level of motivation on over all services:-

The association between Income and level of motivation on over all services is analyzed and the results were given in the following bivariate Table 3

Null Hypothesis: H₀ : There is no association between Income and Level of motivation on over all services.

Table 3:- Income * Level of motivation on over all services

Particular Income	Level of satisfaction on over all services				Total
	Disagree	Undecided	Agree	Strongly agree	
10000 - 18000	5 2.27%	3 1.58%	9 1.61%	7 1.32%	24 16.00%
18000 - 28000	9 4.09%	11 5.79%	24 4.29%	27 5.09%	71 47.33%
28000 - & above	8 3.64%	5 2.63%	23 4.11%	19 3.58%	55 36.67%

Total	22	19	56	53	150
	14.67%	12.67%	37.33%	35.33%	100.00%

Sources : Primary Data

In order to find the relationship between Income and Level of motivation on over all services, a chi-square test was used and result of the test is shown in the following table 3.1

Table 3.1:- Income * Level of satisfaction on over all servicesChi-Square Tests

Age	Value	df	P value	Remark
Chi-Square	2.765	9	.8376	Not Significant

It is noted from the above table that the „p; value is greater than 0.05 and hence the result is not significant at 5% level. Hence the hypothesis Income and the Level of motivation of overall services are not associate hold well. From the analysis it is concluded that there is no close relationship between the Income and Level of Motivation of over all services.

Summary of Findings and Suggestions

Based on the data compiled from the published annual reports of SBI for the study period as well as duly filed questionnaires from the officials thereof, the following findings emanating from the present research study have been deduced.

The SBI 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.

Computerization may reduce employment possibilities although the aments experiment of computerization has kept the employment in a particular operation.

Conclusion:-

Based on findings emerged from the analysis of the data collected through questionnaires and interacting with the management officials of SBI, the following suggestions are offered to improve the HRM as prevalent in banks.

1. Awareness is to be created at all levels that HRM is important for bank and systems for creating such awareness are to be developed.
2. Banks should establish a high power HRM Committee at the corporate level. Alternatives, the form and the scope of the Training Advisory Committee will meet atleast once in 3 months. HRM task force at various levels may also be set up to implement various HRM measures as are initiated and approved by the HRM Committee.
3. All efforts must be continuously mode by banks to develop an overall HRM culture and climate at all levels. It is very important that line managers and other functionaries take appraisals of employees as an important part of their portfolio and do not consider it to be the job of either personnel or HRM alone at the corporate level.
4. The HRM surveys should be carried out in the banks every 3 years and findings of these surveys should be interpreted and suitable HRM interventions should be made. The suggestions emerging from these surveys need to be examined and followed up seriously.
5. Scope of employee suggestion schemes needs to be expanded to make it more participative and effective practical and useful suggestions should be encouraged.
6. Visiting faculty(with some behavioral science background) should be made to visit all the branches over a period of time, by giving advance notice to the branches and inviting questions and suggestions about the day-to-day problems. These could be discussed in a brainstorming session at the branches with a view to letting out pent up feelings if not for immediately solving them. This should be followed up suitable communication from controllers.
7. Tasks/assignments/paper presentation to individuals/group of participants should made as a regular feature experience sharing among participants to facilitate meaningful interaction should be provided for. To the extent feasible, structured and unstructured role plays in training sessions should be introduced.
8. Welfare measures particularly relation to hospitalization scheme, canteen facilities at branches, scholarships for children of staff holiday homes and library facilities at branches need reexamination and whenever feasible, these and other such welfare measures may be suitably modified for the benefit of staff.

9. More important personal policies like transfer and promotion are to be viewed periodically transfer placement policy should be implemented in fairness with minimum aphorism and undue favoritisms from either side. This will instill confidence amongst all.
10. The system of reward and punishment should be made more clear and transparent while there should be an institutionalized system for calling periodical information, good work done by staff for prompt appreciations of their deeds and punishment to the erring employees should be quick and proper to serve as a deterrent to others.

The basic commitment and willingness on the part of the management and employees along with sustained planning efforts are required for the entry of computer in Indian banks. Bank managers should be prepared to manage the people so that right type of data can be used in the computer at the right time Commitment of all the section of employees to computerization should be evolved to cover various sections of employees. The executives and administrators must make use of Computer Based Management Information System (CBMIS) to enhance the quality of their decisions.

New manual for computer audit should be prepared and the access to software, kind of access and the risks involved are required to be assessed periodically, so that of computerized branches serve the purpose of an audit and does not become a routine.

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