



**Human Resource Management Practices in scheduled and nationalised Banks in India**

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*Abstract :- The human sources in the banking sector are not only important, but expensive and delicate. Adoption of improved technologies by upgrading their work methods, work norms, technical and managerial skills and employees' motivation to face up to the fast emerging challenges, has become the need of the hour. The present study has been an attempt to make a comparative analysis of human resource management practices relating to employees' recruitment, selection, promotion, compensation packages, training and development practices in the public and private sector commercial banks in India and the way these are linked with the employees' job satisfaction. To study the HRM policies, practices and trends with respect to recruitment, selection and promotion, compensation, training and development in the commercial banks, secondary data have been gathered. The trends in business per employee, profit per employee, staff strength, branches, deposits per employee, advances per employee, cost per employee, establishment expenses per employee etc*

**KEYWORD:-**Seduled banks, nationalised bank, HRM, Job evaluation, job analysis etc.

**1. Introduction:** - Introduction For more than a century now, human resource management, as a discipline and practice in the management of people in an organisation, has evolved and developed into different areas. These disciplines and practices have gone through a process of trial and error, theory building and testing of various concepts by practicing managers and academics (Farnham & Pimlott 1979; Storey 1989; Armstrong 1995). The underlying forces behind the evolution and development of human resource management have been (and still are) mainly environmental, and the quest for knowledge of better ways of acquiring and utilising labour. Human Resource Management (HRM) is a relatively new approach to managing people in any organisation. People are considered the key resource in this approach. It is concerned with the people dimension in management of an organisation. Since an organisation is a body of people, their acquisition, development of skills, motivation for higher levels of attainments, as well as ensuring maintenance of their level of commitment are all significant activities. These activities fall in the domain of HRM. Human Resource Management is a process, which consists of four main activities, namely, acquisition, development, motivation, as well as maintenance of human resources. Scott, Clothier and Spriegel have defined Human Resource Management as that branch of management which is responsible on a staff basis for concentrating on those aspects of operations which are primarily concerned with the relationship of management to employees and employees to employees and with the development of the individual and the group. Human Resource Management is responsible for maintaining good human relations in the organisation. It is also concerned with development of individuals and achieving integration of goals of the organisation and those of the individuals. Northcott considers human resource management as an extension of general management, that of prompting and 2 stimulating every employee to make his fullest contribution to the purpose of a business.

**2. Objectives:-**

1. Understand nature of Human Resource Management
2. Know the differences Between Personnel Management and Human Resource





- (v) Correcting the errors of wrong postings and proper reallocation of work.
3. Significance for Individual Enterprise: It can help the organization in accomplishing its goals by:
- (i) Creating right attitude among the employees through effective motivation;
  - (ii) Utilizing effectively the available goals of the enterprise and fulfilling their own Management

**6. Other objectives:-**

1. Accomplish the basic organizational goals by creating and utilizing an able and motivated workforce.
2. To establish and maintain organizational structure and desirable working relationships among all the members of the organization.
3. Develop co-ordination among individual and group within organization to secure the integration of organization.
4. To create facilities and opportunities for individual or group development so as to match it with the growth of the organization.
5. To attain an effective utilization of human resources in the achievement

**7. FUNCTIONS OF HUMAN RESOURCE MANAGEMENT.**

The main functions of human resource management are classified into two categories: (a) Managerial Functions and (b) Operative Functions (a) Managerial Functions Following are the managerial functions of Human Resources Management.

1. Planning: The planning function of human resource department pertains to the steps taken in determining in advance personnel requirements, personnel programmes, policies etc. After determining how many and what type of people are required, a personnel manager has to devise ways and means to motivate them.
2. Organisation: Under organisation, the human resource manager has to organise the operative functions by designing structure of relationship among jobs, personnel and physical factors in such a way so as to have maximum contribution towards organisational objectives. In this way a personnel manager performs following functions: (a) preparation of task force; (b) allocation of work to individuals; (c) integration of the efforts of the task force; (d) coordination of work of individual with that of the department.
3. Directing: Directing is concerned with initiation of organised action and stimulating the people to work. The personnel manager directs the activities of people of the organisation to get its function performed properly. A personnel manager guides and motivates the staff of the organisation to follow the path laid down in advance.
4. Controlling: It provides basic data for establishing standards, makes job analysis and performance appraisal, etc. All these techniques assist in effective control of the qualities, time and efforts of workers.

(b) Operative Functions: The following are the Operative Functions of Human Resource Management

1. Procurement of Personnel: It is concerned with the obtaining of the proper kind and number of personnel necessary to accomplish organisation goals. It deals specifically with such subjects as the determination of manpower requirements, their recruitment, selecting, placement and orientation, etc.
2. Development of Personnel: Development has to do with the increase through training, skill that is necessary for proper job performance. In this process various techniques of training are used to develop the employees. Framing a sound promotion policy, determination of the basis of promotion and making performance appraisal are the elements of personnel development function.





3. Compensation to Personnel: Compensation means determination of adequate and equitable remuneration of personnel for their contribution to organisation objectives. To determine the 7 monetary compensation for various jobs is one of the most difficult and important function of the personnel management. A number of decisions are taken into the function, viz., job-evaluation, remuneration, policy, incentive and premium plans, bonus policy and co-partnership, etc. It also assists the organisation for adopting the suitable wages and salaries, policy and payment of wages and salaries in right time.

4. Maintaining Good Industrial Relation: Human Resource Management covers a wide field. It is intended to reduce strife's, promote industrial peace, provide fair deal to workers and establish industrial democracy. If the personnel manager is unable to make harmonious relations between management and labour industrial unrest will take place and millions of man-days will be lost. If labour management relations are not good the moral and physical condition of the employee will suffer, and it will be a loss to an organisation vis-a-visa nation. Hence, the personnel manager must create harmonious relations with the help of sufficient communication system and co-partnership.

5. Record Keeping: In record-keeping the personnel manager collects and maintains information concerned with the staff of the organisation. It is essential for every organisation because it assists the management in decision making such as in promotions.

6. Personnel Planning and Evaluation : Under this system different type of activities are evaluated such as evaluation of performance, personnel policy of an organisation and its practices, personnel audit, morale, survey and performance appraisal, etc.

8. **IMPORTANCE OF HUMAN RESOURCE MANAGEMENT** Human Resource Management has a place of great importance. According to Peter F. Ducker, —

The proper or improper use of the different factors of production depends on the wishes of the human resources. Hence, besides other resources human resources need more development. Human resources can increase cooperation but it needs proper and efficient management to guide it. Importance of personnel management is in reality the importance of labour functions of personnel department which are indispensable to the management activity itself. Because of the following reasons human resource management holds a place of importance.

1. It helps management in the preparation adoption and continuing evolution of personnel programmes and policies.
2. It supplies skilled workers through scientific selection process.
3. It ensures maximum benefit out of the expenditure on training and development and appreciates the human assets.
4. It prepares workers according to the changing needs of industry and environment.
5. It motivates workers and upgrades them so as to enable them to accomplish the organisation goals.
6. Through innovation and experimentation in the fields of personnel, it helps in reducing casts and helps in increasing productivity.
7. It contributes a lot in restoring the industrial harmony and healthy employer-employee relations.
8. It establishes mechanism for the administration of personnel services that are delegated to the personnel department.

### 9. FUTURE CHALLENGES BEFORE THE MANAGERS

Because of continuous changing socio-economic, technological and political conditions, the human resource managers of the future shall have to face more problems in the management of labour. The human resource managers of today may find themselves obsolete in the future due to changes in



environment if they do not update themselves some of the important challenges which might be faced by the managers in the management of people in business and industry are discussed below :

1. **Increasing Size of Workforce:** The size of organisations is increasing. A large number of multinational organisations have grown over the years. The number of people working in the organisation has also increased. The management of increased workforce might create new problems and challenges as the workers are becoming more conscious of their rights.
2. **Increase in Education Level:** The governments of various countries are taking steps to eradicate illiteracy and increase the education level of their citizens. Educated consumers and workers will create very tough task for the future managers.
3. **Technological Advances:** With the changes coming in the wake of advanced technology, new jobs are created and many old jobs become redundant. There is a general apprehension of immediate unemployment. In the competitive world of today, industry cannot hope to survive for long with old technology. The problem, of unemployment resulting from modernisation will be solved by properly assessing manpower needs and training of redundant employees in alternate skills.
4. **Changes in Political Environment:** There may be greater Government's interference in business to safeguard the interests of workers, consumers and the public at large. Government's participation in trade, commerce and industry will also pose many challenges before management. The Government may restrict the scope of private sector in certain areas in public interest. It does not mean chances of co-operation between the Government and private sector are ruled out. In fact, there will be more and more joint sector enterprises.
5. **Increasing Aspirations of Employees:** Considerable changes have been noted in the worker of today in comparison to his counterpart of 1950s. The workers are becoming more aware of their higher level needs and this awareness would intensify further in the future workers.
6. **Changing Psychosocial System:** In future, organisations will be required to make use of advanced technology in accomplishing their goals while satisfying human needs. In the traditional bureaucratic model, the organisations were designed to achieve technical functions with a little consideration given to the psychosocial system. But future management would be required to ensure effective participation of lower levels in the management of the organisation system.
7. **Computerised Information System:** In the past, the automation of manufacturing processes had a major effect upon the systems of production, storage, handling and packaging, etc.

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