



A Review of Human Resource Management Practices used by public and private sector banks

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Abstract: Organizational performance and expansion are significantly influenced by human resource management (HRM), especially in the banking industry. The HRM procedures used by banks in the public and private sectors are examined in this analysis, with a focus on the tactics used to resolve worker issues and preserve employee happiness. The article focuses on cutting-edge techniques intended to improve employee engagement, motivation, and productivity while highlighting the development of HRM as a strategic tool. It also looks at the particular difficulties banks have in managing their human resources, such as the varied behaviors of their workers and the growing need for skill development in a cutthroat market. The results highlight how crucial flexible and forward-thinking HR practices are to the profitability of businesses and the welfare of their workforce.

Keywords: HRM, Skill, Banking Industry, Businesses, Employee, Workforce

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INTRODUCTION

Any economy requires the banking industry to meet the financial demands of both the government and the populace. The need of financial services should not be overlooked, particularly in a rising nation like India. The Indian government began the process of nationalizing banks in 1969 for this reason. Since then, the nationalized banks have been essential to the nation's prosperity and to the provision of a range of financial services to the populace. The banking industry's reach has expanded with the implementation of the New Economic Reforms, including globalization, privatization, and liberalization. Because of this, the labor market for bank workers and job seekers has expanded, forcing bank management to implement specific HRM practices to stay in business and retain its disgruntled staff.[1]

MANAGEMENT DEFINITIONS FOR HUMAN RESOURCES

The people who work for a company are the focus of human resource management, or HRM. It represents a new way of thinking, a new perspective, a new method, and a new approach that sees employees as an organization's assets and resources rather than liabilities. To put it another way, human resource management is the process of managing an organization's workforce in a humane manner. The management might see his employees as one of his most valuable assets thanks to the human resources approach to manpower. Developing and efficiently using the workforce is a good idea for the organization's sake as well as for the personal development and happiness of the individuals involved. "Therefore, human resource management is a system that prioritizes the development of human resources on the one hand and

efficient personnel management on the other, ensuring that employees are treated with dignity at work. [2]

The planned and cohesive approach to managing an organization's most valuable assets its employees who both individually and collectively help to accomplish the company's goals is known as human resource management. It is not only restricted to certain duties; it refers to the organization's overarching ideology and the proper way to manage its workforce. HRM prioritizes commitment and congruence above control and compliance. HRM encompasses all managerial choices and actions that have a direct impact on or influence the organization's human resources. The sources of long-term competitive advantage and important strategic levers are human resources. As a result, the corporate strategy should prioritize HRM practices.

One of the business operations that has seen major transformation in recent decades is human resource management, or HRM. A substantial body of literature advocating for a more strategic role for human resources has emerged since the early 1980s. The belief that people and how they are handled are essential to an organization's performance and may be a source of long-term competitive advantage is the reason for the growing interest in human resources.” Despite the fact that HRM is already regarded as crucial, experts and scholars concur that its significance will only increase going forward. [3]

MANAGING HUMAN RESOURCES; COMPLEXITIES

Getting things done via people is one of the contemporary manager's key responsibilities. It is his responsibility to engage personnel with the business in a manner that advances both parties' goals. He has to care about the people, the job, and the accomplishment of the goals set out. He has to strike a balance between his job and people issues in order to be productive. In other words, he has to be able to translate objectives into action while making use of both human and non-human resources. The manager's talents are put to the test while managing human resources because:

1. Human resources vary widely. They are made up of several distinct people, each with their own personality, a mix of various emotional reactions to various stimuli, and distinct values, attitudes, motivations, and ways of thinking.
2. Humans have complex and widely varying behaviors. For instance, they may respond quite differently to criticism, praise, or promises. Their conduct is quite unpredictable, particularly in a group-oriented workplace. They don't behave consistently or in a predictable way.
3. Compared to earlier generations, modern workers have higher levels of education, more skills, access to more advanced technology, and a higher quality of life.
4. What a human being contributes is decided by him. He will work for a company more productively and successfully if he is motivated.

Therefore, managers need to understand that brilliance is created by people, not by organizations. "Man, of all the resources available to man, can grow and develop," said PF Drucker, acknowledging the significance of the human factor in the manufacturing process. We continue to face the challenge of creating an environment that maximizes employee engagement and motivation.

THE DIFFICULTIES IN MANAGING HUMAN RESOURCES

People are often cited as an organization's most important resource. Such assertions may be found in the mission statement and annual reports of organizations. An organization is, of all, just a collection of individuals whose actions have been organized and synchronized to achieve organizational goals. If it is made up of the right people, a company that produces products and services has a strong chance of surviving and growing. This applies to every organization. Similarly, humans need organizations. Most individuals have to work to provide for their families and themselves. However, there are a variety of reasons why individuals work besides financial stability. For instance, a lot of people work to stay occupied, feel valuable, and accomplish something.[4]

They want to test and push their limits, or they want to be recognized and elevate themselves. People and organizations come together to address these diverse demands, but sadly, this union seldom reaches perfection. Organizations have a number of challenges in achieving their objectives, and similarly, every employee reports some issues in their efforts to be effective and productive at work and to be content with their work life. Reducing these issues and barriers is the task of human resource management.

HUMAN RESOURCE MANAGEMENT FEATURES

The term "human resource management" describes the steps used to bring people and organizations together to accomplish common goals. At the heart of this management process step is the administration of an organization's human resources. Its goal is to maximise human potential by enlisting their whole support. Staffing is the practice of identifying, recruiting, developing, and maintaining a team of competent individuals to carry out an organization's strategic goals in an efficient and effective manner. [5]

According to Invancevich and Glueck, human resource management is all about making the most of people to achieve business and personal goals. It is a way of leading workers in the workplace to ensure they give their all for the benefit of the business. These are some of its characteristics:

- a) **Pervasive Force:** In nature, HRM is everywhere. It exists in every business. It affects an organization's management at every level.
- b) **Action oriented:** instead than concentrating on documentation, written protocols, or regulations, hrm emphasizes action. reasonable policies are used to settle workers' workplace issues.
- c) **Individually oriented:** it aims to support workers in realizing their full potential. it motivates them to give the organization their all. fair pay policies combined with a methodical hiring, selection, training, and development process inspire workers.
- d) **People oriented:** Human resource management focuses on people in the workplace, both individually and collectively. It tries to assign people to things that will make a difference. By sharing in the profits, individuals are incentivized to work harder and more efficiently.
- e) **Development oriented:** HRM's ultimate goal is to help workers reach their maximum potential. When

creating the incentive system, staff needs are considered. They get instruction to help them refine and improve their skills. employees are rotated through several jobs so they may get experience and exposure. We make every attempt to make the most of their abilities to help achieve our corporate goals.

- f) **Globally oriented:** people management techniques throughout the globe are having a growing effect on hr. (particularly after 90 seconds). organizations now understand how important it is to treat individuals equally, respectfully, and sensitively. therefore, indian practitioners must examine hr methods in japan to see if there are any ideas that may be effectively adopted and replicated in india.
- g) **Future-oriented:** by supplying skilled, driven workers, effective hr aids a company in achieving its long-term objectives.
- h) **Integrating mechanism:** hr is to establish and preserve friendly relationships between employees at different organizational levels. to put it simply, it seeks to maximize the use of human resources in support of an organization.
- i) **Comprehensive function:** according to bernardin (p. 15), human resource management (hrm) is somewhat concerned with each organizational action that affects the workforce or the prospective workforce. the word "workforce" refers to those who are employed at different levels, such as employees, middle and upper management, and supervisors. it is focused on workplace management. it includes all kinds of employees. at every level of the organizational hierarchy, personnel work may take on many forms, but the fundamental goal of attaining organizational success via the effective and efficient use of human resources never changes. "It is essentially a technique for fostering employees' potential so they can give their all to the company and receive the most satisfaction from their work." (Myers and Pigors).[6]
- j) **Auxiliary Service:** The purpose of HR departments is to support and advise operational or line managers on how to better handle their people tasks. The HR manager is an expert counselor. It's a staff role.
- k) **Inter-Disciplinary Function:** HRM is a multidisciplinary endeavor that draws on insights and information from a variety of fields, including economics, sociology, psychology, and anthropology. Managers must recognize and value the contributions of all these "soft" disciplines in order to solve the puzzle of the human brain.
- l) **Continuous Function:** Terry asserts that HRM is a multifaceted process.

It can't be done for only an hour a day or once a week. It calls for constant awareness and comprehension of the importance of interpersonal interactions in our day-to-day lives. [7]

THE GOALS OF MANAGING HUMAN RESOURCES

Even though managers and supervisors used to often act arbitrarily and autocratically while interacting with their subordinates, this style of leadership is becoming less and less popular these days. Compared to previous generations, the current workforce is more educated and informed. Employees now want more intelligent leadership and more thoughtful care. Furthermore, many groups of workers are able to seek and achieve more favorable job circumstances and treatment because of the protections offered by the government and unions, or because their talents are in limited supply. Given these new developments,

HRM's goals have been growing over the years. Let's take a closer look at them.

- a) **To assist the organization in achieving its objectives:** Like other organizational departments, the HR department exists to accomplish the organization's objectives first; if it fails to do so, it will wither and perish, just like any other unit.
- b) **To effectively use the workforce's skills and abilities:** HRM's main goal is to maximize people's capabilities for the benefit of clients, investors, and staff.
- c) **To provide the company with highly skilled and driven workers:** According to HRM, workers must be encouraged to put up their best effort, have their work accurately assessed for outcomes, and get compensation commensurate with their contributions to the company.
- d) **To fully enhance workers' job satisfaction and self-actualization:** It seeks to encourage and motivate each worker to reach his full potential. Therefore, appropriate programs that enhance the quality of work life (QWL) must be created.
- e) **To create and preserve a good work life:** It makes working for the company a desired social and personal circumstance. Enhancing organizational performance is challenging if work-life balance is not improved.
- f) **To inform every employee of hr policies:** It is HRM's duty to communicate as fully as possible in order to comprehend the perspectives of internal human resources as well as to gather ideas, opinions, and sentiments from consumers, non-customers, regulators, and other members of the public.
- g) **To assist in maintaining ethical actions and policies:** "To practice morality in management in preparing people for change, dealing with dissent and conflict, holding high standards of productivity, building acceptance of standards that determine progression, and adhering to the spirit and letter of high professional conduct" is how the chief personnel officer of a large American corporation stated the purpose of personnel.

Therefore, HRM should aim to (a) achieve the organization's objectives in an inexpensive and efficient manner; (b) support the individual goals as much as feasible; and (c) maintain and improve the community's overall welfare. Employee happiness and fulfillment should be the ultimate goal of the eight goals listed above, which are taken from Ivancevich and Glueck. However, it's easier said than done. Managing people in today's workplace will always be a ticklish affair unless HR professionals are well-versed in the social, legal, and economic changes in the economy. [8]

CREATIVE MANAGEMENT OF HUMAN RESOURCES

According to current research, conventional personnel management is a sunset notion, whereas human resource management is a sunrise concept. However, several HRM studies have highlighted the necessity for fresh, creative HRM that is ahead of the curve. A set of outdated HRM methods won't be able to boost production for very long in this highly competitive period. Businesses are joining a dynamic world of international commerce as a result of growing globalization, which is characterized by the liberalization of economic policies in many rising nations, including India. "Indian companies have started using creative

HRM methods both critically and constructively to encourage workers' creativity and invention in order to meet the challenge of growing competitiveness brought about by liberalization (Som, 2003). A new set of enhanced HRM practices is required by the new horizon of time, which might provide firms a competitive edge. There are always certain human resource activities that are better than others, according to a few studies, so companies should embrace fresh and creative approaches. [9]

'Innovative HR practices' were also found to be referred to by a number of other names in the study literature, all of which had the same meaning. The phrases "innovative HR practices" (Arthur, 1994; Camuffo, 1993; MacDuffie, 1995) were used interchangeably with the following terms: quality HR (Huselid, 1994); progressive HR practices (Kravetz, 1988; Huselid, 1995); high commitment practices (Pfeffer, 1994). Two similar ideas have been referred to by the word "innovation" (Agarwala, 2003). According to Damanpour (1991), innovation is the process of implementing new goods, equipment, programs, or systems. On the other hand, it also refers to the end result of the innovation process, which is the new product, equipment, program, or system (Rogers, 1983,). Wolfe (1995), who described innovative HR practices as "ideas, programs, practices, or systems related to the HR function and new to the adopting organization," further backed the latter, which is what the current study has done. According to one of his research, Som (2008) defined "innovative HRM practices" as departing from traditional HRM methods in Indian organizations. It indicates,

"(Som, 2006) Any deliberate introduction or modification of an HRM program, policy, practice, or system intended to affect or modify employees' abilities, behaviors, and interactions has the potential to serve as both the basis for strategy formulation and the means of strategy implementation that are thought to be novel and generate current capabilities and competencies.

One factor that contributes to lower operating costs is innovation. Profitability rises and society's quality of life improves as a consequence. Schumpeter (1934)59 discussed production improvements". These developments either increase supply or demand. A new product design, a new market, a new raw material source, or a new marketing strategy are examples of these innovations. Any sector is open to innovation. Innovative HRM methods are created to engage and retain workers while also boosting their commitment to the company and loyalty. Therefore, all of these new and better methods and activities that organizations have embraced while keeping in mind the competitive environment are referred to here as innovative human resource practices.[10]

CONCLUSION

In today's changing economic environment, banks must maintain their competitive advantage via effective HRM procedures. In order to handle the challenges of managing human resources in the banking industry, this assessment emphasizes the need of incorporating cutting-edge HR techniques. Banks in the public and private sectors must strike a balance between organizational objectives and worker happiness by implementing strong policies, paying employees fairly, and providing opportunity for professional development. Banks may increase productivity and employee loyalty and secure long-term success by cultivating a culture of engagement and motivation. The research comes to the conclusion that in order to handle new problems and take use of human resources' potential as a strategic asset, HRM practices need to change constantly.

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