

# “A New Perspective Need for Human Resource Management in Banks”

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**Abstract – In this paper we present about a new perspective need for human resource management in banks. Contribution of banks is to monetary enlargement of a region, in their role as mediators. Banking is now on the whole a business of trust. Banks are lending a main part of their deposits and engage in recreation the role of go-between and also comprise the imbursement system because of the belief of the people that the banks will Honour their promises.**

**Keywords: Human resource, banks, organizations, perspective**

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## INTRODUCTION

Human resource is measured as the most significant resource of the organizations and it became important for achievement of any organization (Moyeen & Huq, 2001; Schuler, 1990; Werther & Davis, 1996). Human resource management (HRM) refers to the strategies and practices as well as human resource planning, recruitment, job analysis, selection, orientation, reimbursement, routine appraisal, training and development, and labor relations (Dessler, 2007). The purpose of human resource management is to get better the creative contributions of employees and provide competitive benefit to the organizations (Werther & Davis, 1996). It is well documented that an organization augmented with committed, aggravated, talented, and competent human resource can achieve any kind of challenging goals. Success of managers in the new century would absolutely depend upon their capabilities in managing human resources (Budhwar & Debrah, 2001). However, it is experimental that banks lose their best clients who are sometimes their High Net worth Individuals (HNI) to competitors due to a variety of reasons.

## WHY HUMAN RESOURCE MANAGEMENT IS IMPORTANT FOR BANKS

Human Resource Management is important for banks because banking is a service industry. Management of people and management of risk are two key challenges facing banks. How you manage the people and how you

manage the risks determines your success in the banking business. Efficient risk management may not be possible without efficient and skilled manpower. Banking has been and will always be a "People Business". Though pricing is important, there may be other valid reasons why people select and stay with a particular bank. Banks must try to distinguish themselves by creating their own niches or images, especially in transparent situations with a high level of competitiveness. In coming times, the very survival of the banks would depend on customer satisfaction. Those who do not meet the customer expectations will find survival difficult. Banks must articulate and emphasize the core values to attract and retain certain customer segments. Values such as "sound", "reliable", "innovative", "international", "close", "socially responsible", "Indian", etc. need to be emphasized through concrete actions on the ground and it would be the bank's human resource that would deliver this.

It is a common complaint among bank executives that skilled manpower is in short supply. No two arguments on this, HR resources are becoming scarce – both in quality and quantity. And, it is quite elementary that any resource that is in short supply needs to be properly managed for the benefit of society and, therefore, you need to pay attention to the entire Human Resource Management process. What do I mean when I say this? You need to manage the people – and for this you need to discriminate between the people, I mean positive discrimination. The entire spectrum of HR practice requires revolutionary changes if the banks have to survive. Managing the people

is the key challenge. And, in my opinion, discrimination is the key word when dealing with people. You will notice that I will use this word very frequently during my discussion.

### EMPLOYEE RELATIONS IN BANKING

The banking sector has been characterized by apparently harmonious industrial relations and has not suffered from the "British Diseases" of industrial action and demarcation issues associated with parts of manufacturing industry encouraging an ethos of teamwork, shared interest and loyalty, wanting commitment beyond the cash nexus. While banks are generally seen as having a passive approach to employee relations, paternalism did underpin the system and particularly important was the system of internal promotion supported by an unwritten agreement between the major UK banks on no-poaching. The internal labour market created two categories of employees: career and non-career, which equated to a male / female divide.

### CRM – A TOOL FOR QUALITY INTERACTION:

CRM is a business policy of sympathetic a customer, underneath desired customer understanding and building gainful customer loyalty. Customer preservation is the genuine calculate of ultimate financial success. The primary aim of any business is to build a customer centric organization (Fitzgerald and Brown 2001). CRM demands methodical approach that provides flawless integration in vicinity of people, business, process and technology, so that banks can increase retention.

### CONCLUSION:

In this paper we found that banks that muscularly rely on the qualities of association for banking as a time experienced way of objective & servicing clients have readily embraced CRM, with the focus on customer centricity, facilitated by the ease of use of greater technology.

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