

“Reparation Management in Public Sectors and Private Banks in India: A Review”

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Abstract – *Reparation is an integral part of human resource management which helps in motivating the employees and improving organizational effectiveness. Reparation is one the most important functions of human resource management (HRM). The present study aimed at exploring differences between the public and private sector industrial enterprises of India with respect to overall status of Reparation practices.*

Keyword: *Reparation, Bank, Public and Private Banks*

INTRODUCTION

Reparation strategy is derived from the business strategy. The business goals and objectives are aligned with the HR strategies. Then the Reparation committee or the concerned authority formulates the Reparation strategy. It depends on both internal and external factors as well as the life cycle of an organization.



Evolution of Strategic Reparation Traditional Reparation Systems: In the traditional organizational structures, employees were expected to work hard and obey the bosses' orders. In return they were provided with job security, salary increments and promotions annually. The salary was determined on the basis of the job work and the years of experience the employee is holding. Some of the organizations provided for retirement benefits such as, pension plans, for the employees. It was assumed that humans work for money, there was no space for other psychological and social needs of workers.

NEED OF REPARATION MANAGEMENT:

- A good Reparation package is important to motivate the employees to increase the organizational productivity.
- Unless Reparation is provided no one will come and work for the organization. Thus, Reparation helps in running an organization effectively and accomplishing its goals.
- Salary is just a part of the Reparation system, the employees have other psychological and self-actualization needs to fulfill. Thus, Reparation serves the purpose.
- The most competitive Reparation will help the organization to attract and sustain the best talent. The Reparation package should be as per industry standards.

REVIEW OF LITERATURE:

Shrivastava & Purang (2009) conducted a study on 340 employees of both public and private sector banks to examine their job satisfaction level and found that was found that private sector bank employees perceive greater satisfaction with pay, social, and growth aspects of job as compared to public sector bank employees. Khan & Mufti (2012) conducted an empirical study to analyze the effect of different Reparation components on the motivation level of the bank employees.

- According to **Bureau of Labour Statistics**, "Job evaluation is the evaluation or rating of job to determine their position in job hierarchy. The evaluation may be

achievement through assignment of points or the use of some other systematic rating method for essential job requirements such as skill, experience and responsibility."

INDUSTRY CYCLE: MAIN COLLISION ON ORGANIZATIONS

The term cycles is utilized to clarify a process that moves in arrangements between progressions of decidedly identifiable stages in an intermittent or occasional design. Any time this plan is shown in the generally speaking level of budgetary movement, it is called the business cycle (Hamilton, 2005). The business cycle is the upward and descending developments of levels of gross residential item (GDP) and points to the time of developments and compressions in the level of monetary exercises (business vacillations) around its lifelong development drift, as shown in Figure.

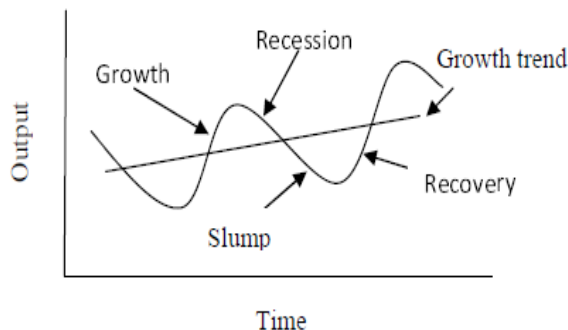


Figure: Typical business cycle and its different stages.

Figure, illustrates the four distinct stages of the business cycle: the "growth" stage as the economy in terms of GDP expands, a turning point where the expansion of economy stops and "recession" starts with a downward movement of GDP as economy begins to decline. The fall of GDP quickens throughout the "slump" and at long last an additional turning focus that stamps the closure of the withdrawal and a "recovery" or upturn starts in which the economy by and by extends. Each phase of the business cycle, demonstrated as a traditional sine wave in Figure, presents conglomerations with remarkable set of tests and chances specific to that stage in adapting course of business exhibition, as depicted beneath (Madhani, 2010a).

The risk associated with an investment increases as operating leverage increases as the cash flow associated with an investment which is equal to its total costs subtracted from its sales revenue, carries more downside risk when fixed costs are high. Business risk is the uncertainty associated with organization's operating

environment and reflected in the variations of operating income and hence, having a negative impact on the profitability of a given organization (Beach, Madhani, 2010b).

CONCLUSION:

The compensation of the general partner, based a fixed share of capital gains, is similarly compromised when the market returns are significantly lower than the GP's opportunity cost.

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