

HRM Practices in Banks of Madhya Pradesh: A Review

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Abstract – Human resource is the people who make up the workforce of an organization. Indian banking sector comprises of private sector banks, public sector banks, cooperative banks, foreign owned banks and regional rural banks. The present study is an attempt to investigate the existing literature on HR practices of various Indian banks in Madhya Pradesh. HRM is the organizational function that deals with issues related to people such as, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration and training. In this paper light will be thrown on the concept, need of HR Department in Banks of Madhya Pradesh. It also focuses on the Concepts and Technique in HR Practices. Employee's performance is the most important factor in an organization success, therefore, there is need to adopt effective human resources strategies that aim to improve employee's performance and creates the culture of high performance in public and private sector banks based on human resource practices.

Keywords: Bank, Employee Performance, HR Department, Training and Development, Public Banks, Private Banks, HRM.

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1. INTRODUCTION

Successful organizations are increasingly realizing that there are number of factors that contribute towards performance, but human resource is that important factor without which other factors are negligible. Human Resource is base for every organization because in absence of man power an organization can't run. Human resource practice also plays a pivotal role in the development of banks in Madhya Pradesh. As banks are based on the performance of their employees and their performance is linked with the human resource practices provided by their banks for their growth and development in this sector. HRM is performed by the specialized type of technique that is Human Resource Planning.[1] HRP usually plans and oversees the human needs of actual performance comparing them with the future needs of the company so that the association can achieve the organizational goal smoothly, without any problems related with the human behavior of the employees as well as the services gained by the employees in accordance with the field of work for the employees. This planning leads to the conclusions that are known as performance appraisal by which future needs can be predicted by the professionals and the solutions can be utilized by the manager through which the employees can be motivated for their work

which will automatically leads to the effective and efficient achievement of the organizational goal.

Human Resource Management binds people and organization together to achieve its goal. In the banks of Madhya Pradesh, it is the part of procuring, developing, and maintain competent workforce to achieve the goals of an organization in an effective and efficient manner and Recruiting, Selecting of employee providing proper orientation and induction, providing proper training and development skill, performance appraisal, providing proper compensation and benefits, motivation, maintaining proper relations with labour and with trade unions, maintaining employee safety, welfare and health by complying with labour laws of concern state or countries. Human Resource Management has a very wide scope in public and private sector banks of Madhya Pradesh which consists of various activities like acquisition, development, motivation as well as maintenance of Human Resource Management is unable to face some problems in the organization.[2]



Figure 1 Components of HRM

1.1 Origin of banks in India and Madhya Pradesh

The Indian banking sector was established in 1770 by the Bank of Hindustan and then in the year 1786, by the General Bank of India. Between the year 1800 and 1850, many public banks' establishment was made (even State Bank of India). Bangladesh was one of the most important institutions of government. These banks were established in accordance with British East India Company Charters.[3]

One of the largest and most influential Indian commercial banks in Madhya Pradesh is the "Central Bank of India", a leading government bank. Founded in 1911, the Central Bank of India was the first completely supported and run Indian commercial Bank. Sir Sorabji Pochkhanawala, chief executive of the bank, was ultimately able to realize the goal. The first President of a truly 'Swadeshi Bank' was Sir Pherozesha Mehta. Sir Sorabji Pochkhanawala felt this degree of pride when he declared "Central Bank of India" to be 'the assets of the government and the wealth of the country.' He stated that the Central Bank of India operates on the confidence of individuals and considers itself to be the individual of the bank. Its main headquarters is in Bhopal. [4]

1.2 Need of banks in Madhya Pradesh

At the time of pre independence the states in India were divided in number of small regions which resulted in failure of economy as one. The protocols followed under British rule were carried out in the capital state Delhi and adjacent north India states. Madhya Pradesh being in the central part of India; there were no such impactful laws made to control and regulate the revenues generated on a large piece of land. After the Independence, the central bank of India which was initially established in Madhya Pradesh was nationalized in 1969. [5]

After independence, MP became the largest state and it became hard to monitor or even regulate the economic position of the state. Due to availability of large area of land, most of it was utilized for farming purposes. Hence, Gramin banks and regional banks were introduced by the government. The need for

banks emerged as financial as well as heritage aspect of MP improved over time and the monetary values generated from this state was required to be managed. [6]

1.3 Structure of banking industry in MP

Almost every bank department in Madhya Pradesh serves 10,209 people, as opposed to the average Indian population of 9,280. Nevertheless, within the same radius of 5 km from each area, banks and correspondents are supported in the sub-service areas by banks and company representatives. Public sector banks make up 57% of the Madhya Pradesh financial sector; Regional banking institutions (18%), Private sector banks (12%), Cooperative banks (11%), and some others (2%). [7]

Madhya Pradesh financial industry includes both private and public banks. The State Bank of India, the Allahabad Bank, Canara Bank and others comprise the public sector. The private sector, is from the other hand, has all of India's major banks such as Axis Bank, HDFC Bank, ICICI bank, etc.

Table 1 Regional Rural Banks in MP

Narmada Jhabua Gramin Bank	Indore, M.P.
Central Madhya Pradesh Gramin bank	Chhindwara, M.P.
Madhyanchal Gramin Bank	Sagar, M.P.

1.4 Concepts and Technique in HR Practices

The HR department is focusing on the satisfaction, improvement as well as the recruitment procedure of the employee in the company. [8] Following are the unique techniques of the HR practices performed by the manager of the HRM:

Conduction job analysis: The HR management conducts proper job analysis about the vacant seats in the organization so that the manager can easily judge the individual who is reliable for the vacant job or not.

Planning labor needs and recruiting job candidates: HR practices are also using the techniques before the recruitment of the employee and plans including the estimation of the labor requirements and recruit the employee according to the needs of the employee.

Selecting job candidates: The selection process of the new candidate includes almost 10-12

procedures before the recruitment of the employee in the organization.

Managing wages and salaries: This technique is used by the HR practices to manage all the wages and salaries of the employee. The distribution of the salary is one of the most important part of the company because the salary has to be distributed differently to the different customer according to their post in the company. All the transactions are kept in a proper record related with the salary and wages transaction.

Training and developing managers: This technique is performed for increasing the knowledge and skills of the manager according to the changing environment of the external environment, so that the manager can take decisions and lead the management to heights in the sales market with the proper utilization of new changed skills which are adopted by the manager in the training and development programs for the managers.

Building employee commitments: This technique is also used in HR practices to increase the confidence level of the employees and they can give the commitments for the completion of work by some specified period of time. Basically, this technique plays with the mind of the employee for bringing out the given work in the precised period of time. [9]

2. LITERATURE REVIEW

Mohammad F. Ahammada 2019 [10] The importance of connecting the HRM practices with the strategic agility has been highlighted in this special issue. The main motive of this paper was to contribute to the literature through the special issue by recognize gap of the strategic agility in the fragmented as well as existed prior research along with the concept which is theoretical of the existence in consolidation. In the terms of the strategic agility and its implication on the practices of the Human resources has been ingressive along with the proposition of the new venues for the forthcoming investigations in the strategic agility.

Sushmita Chaudhary 2019 [11] The main objective of this thesis was to provide a study on the performance of the HRM in the sector of banking. The main purpose is to supervise all the working of the members of the staff who are working in any peculiar association through the HRM. From the period of historical time towards time of present generation and also for the upcoming future, the HRM along with its practice has been incorporated in this thesis. As a part of research, A Finnish Cooperative bank Osuuspankk has been taken under investigation. All through, the research from a variety of books has been used to find the information which is expedient for creating this thesis. In this paper, there are three types of classical need theory which are conferring in the

matters allied with the motivation theory of theoretical part. The major purpose of the thesis was analyzing the framework of the HRM where modification is possible along with the modification in technology of forthcoming time. Many challenges have been faced by the bank in resolving the issues of HRM. To overcome the risks which are related with the threat as well as fraud, bank needs to hire the workers which are trustworthy and security has also been required in the bank.

Cherrie JiuhuaZhu 2019 [12] One of the main objectives of this article was to grant the broadcasting for the usage of HRM for highlighting the dynamism of discrepancy along with the contextualization as well as convergence in the broader field of China. HRM is supervising the people of chine in a diverging or converging way which is related with the theories of western or foreign development along with the practices performed in framework of several organizations together with the numerous duration of time.

WiemZaougaa 2019 [13] For accomplishing the success, a crucial role has been played by the human resources by being a valuable asset in many organization. Complete knowledge has been gained through the perceived HR Management as summarized for the defined process along with the techniques as well as tools in the 5th guide of PMBOK. Through this guide HRM has been shown with the strong focus but it does not elaborate, it describes how a process can be performed with necessary skills along with the techniques together with the tools. Therefore, with the only usage of process like PMBOK, for the selection of the appropriate team as per their skills will not be assisted by the project manager along with the members of the project team who won't be able to swap their capabilities.

Matthew M. Piszczek 2019 [14] For the researches which are conducted by work family as a foundation which is theoretical enhancing have been used to fit in the framework of person as well as environment. With its usage in abundance many gaps along with the opportunities related to the literature together with its application which is emerging. Attribution theory has been drawn from the current paper for building a model which is conceptual which elaborates the processes that are cognitive by which practices of human resources work family are connected to the perception of person environment of work family. A critical role is played by this attributes for determining the supply which are available for the employee to integrate work as well as segment including the domain of family.

Günter K. Stahl 2019 [15] The main motive of this paper was to focus on the corporation increased pressure for engaging in the corporate social responsibility as well as corporate sustainability to

look over the present crises of level of confidence in a business along with the needs of the activities including the expectations of stakeholders with broader set to help them in tackling the huge challenges of the world. It has been believed that the potential of the HRM is very vital when it comes to the contribution in the efforts made by corporate sustainability as well as corporate social responsibility firms which have failed it to deliver so far. The reason behind the failure is discussed to find a way for management of the human resource to play an important role in designing as well as on the strategies which can be implemented by the firm's corporate social responsibility along with corporate sustainability.

Yijun Xing 2019 [16] The main focus of this paper was to look over the in turn as well as prerequisites which are dependent on the abilities of an organization to harness the level of the team and their entrepreneurial behaviour along with their talents together with the activities as driver of ongoing strategic agility in addition with the thoughts which are innovative and can be managed by the process of the management of the human resource very effectively. Through conducting a review which is synthesized this argument has been illustrated by literature streams as well as team of the entrepreneurial along with the strategic agility together with the creating a framework which is conceptual and which can also connect them altogether.

Janaina Macke 2019 [17] The main aim with the which this study dealt was to analyses the state of the art of the HRM that is sustainable along with the identification of the key elements as well as research gap including trends. Either the main focus of the HRM must be on the reduction of the cost as well as on profitability of corporate or else on their actions that should provide the sustainability in long term of the organizational performance. The connection within the management of the human resource along with the sustainability of the social dimension has been handled by the last category, mainly with the stock holder's relationship with the company along with the regards to the organizational social responsibility. It has been concluded from this paper that the main motive was to contribute on the discussion which is ongoing on the topic that is sustainable human resources management for state of the art analyzing along with the studies of human resources in upcoming direction.

Paul Olendo Ombanda 2019 [18] Due to the dynamics of the present corporate has led to increase the interest in the principle of the business in both the practices in academia as well as in professional. One of the concerns regarding the ethics in HRM still holdups backwards than the ethics of today's business. To compliance with the perspective of the business compliance are appeared to be relegated in HRM due to the ethical roles. To improve the performance of the employees,

the ethics is significant of the HRM which has been found from the critical review of the literature. The approach as well as application needs to fair during all the practices of HR along with the appreciation for the strong call should be headed in HRM ethics.

Maggie M. Cheng 2019 [19] The algorithmic applications of HRM are not theory driven and the label of "black box" has been invoked by the critics frequently, whose efforts are not appropriate entirely. Algorithms which are related with HRM are considered as a best heuristics. In the finding of implications which are considered it has been noted that there is a divide in the practitioner of the research with evident along with the scholarly efforts which is relative as well as the interest of the practitioner in the algorithms of HRM has been increased in past few years.

3. CONCLUSION

From the above analysis, we can conclude that HR practices in the Indian banking sector of Madhya Pradesh have evolved in the past few decades. HR practices play a vital role in an organization because it is significantly correlated with employee's performance. Most of the public sector banks in M.P. are providing Training & Development facilities, excellent Compensation packages so that employees are willing to perform better. So, the HRM activities relating to Training & Development procedures is good in both the banks whereas Compensation practices of the Private sector banks should be designed in such a way to make them to be on par with the Public sector banks, so that it will contribute to the betterment of the banks. Future research must focus on a wider sample in order to get more generalized results. Moreover, it must be directed at understanding individual differences so that employee specific initiatives to improve work life.

For the success and sustained growth of Indian banks in Madhya Pradesh, it is imperative that human resource management needs to be fully embedded with the strategy of the banking organizations.

4. SUGGESTIONS

Indian banks face a number of challenges, the most important being - to make the best use of their existing human resources and compete on the basis of innovative HRM practices. Banks should take measures to change the attitude of the employees towards work and also to increase the level of interest towards work. Banks should include personality traits in assessing the performance of their employees. And Banks should also take measures in modifying the performance appraisal system according to the present day conditions. To improve HR

performances, public sector banks must apply innovative performance management practices at a higher level. Further, the security related issues also need to be focused more in the public sector banks of India so that the employee can concentrate more on their performance.

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