

Impact of Human Resource Management between Public and Private Sector Banks

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Abstract – In this paper we present about impact of human resource management between public and private sector banks. Human resources are well thought-out as a foundation of sustainable competitive advantage. The accomplishment of an organization depends upon several factors but the most vital factor that affects the association performance is its employee.

INTRODUCTION

Human Resource is the most imperative factor in the process of production. Therefore, their growth and development finds essential position for sustaining long term objective of organizations. Human Resource Development is concern with development of employee competencies, so as to make them more functional and productive. Banking was a thriving industry in ancient India. Initially, the industrial houses pioneered banks with a view to generating funds for productive activities and at the same time offered considerable security, liquidity and fair returns to the depositors.

Khan (2010) revealed that in energetic business atmosphere, there is a need of an approach to achieve better performance, to originate and implement HRM practices. In a way, banking continued to be a traditional industry till 1969. With nationalization, banks ceased to be funding agencies only for industrial sector and became a vivacious instrument of social change more statistical data are available in support of the preposition that there is a phenomenal growth of banking industry.

Indian public sector banks have been facing a number of challenges ever since the industry was opened up for private and international players. Social banking practices followed by public sector banks consequent to nationalization have resulted in increased nonperforming assets, decreased profitability and operational efficiency.

Privatization of banking sector forced public sector banks to take up serious measures for improving profitability and efficiency of operations. Human resource management is the area where many initiatives were implemented for streamlining banking operations. In this study HRM

challenges faced by public sector banks are analyzed and suggestions made by the experts in the field are summarized.

Influence of human resource management practices on organizational performance has been a significant area of research in past 25 years indicating positive relationship between Human Resource Management practices and organizational performance. HRM (Human Resource Management) practices are being increasingly treated as dependent rather than State bank of India. In the olden days, management gurus and researchers were involved in exploring how HRM practices affected employee performance, and organizational performance.

Key points for triumphant Human Resource Development

- Recruitment and Placement
- Performance Appraisal
- Training and Development
- Compensation and Benefits
- Employee Relations

REVIEW OF LITERATURE

In the age of knowledge economy, human resource is considered as the most important resource of the organizations and it became decisive for success of any organization (Moyeen & Huq 2001; Schuler 1990; Werther & Davis 1996). Human resource management (HRM) refers to the policies and practices including human resource planning, job analysis, recruitment, selection,

orientation, compensation, performance appraisal, training and development, and labor relations (Dessler 2007). The purpose of human resource management is to improve the productive contributions of employees and provide competitive advantage to the organizations (Werther & Davis 1996). It is well recognized that an organization enriched with committed, motivated, 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).

Deepti Bhargava, 2010 concluded in her research that Human resources play an integral role in achieving an innovative and high-quality product/ service. HRM practices try to develop and allocate human capital in the best possible ways in order to achieve long-term goals; they provide them with many benefits and good environments that would boost employee's motivation, job satisfaction, and increase their performance. To sustain in the market human resource management (HRM) practices and job satisfaction of employees have many significant benefits for organization.

CONCLUSION:

In this paper we found that Human Resource is the most important assets in the service organization than manufacturing organization and improvement has to be linked more strongly to the people issues. Employee work-related attitudes are – organizational commitment, job satisfaction and organizational fairness. These attitudes are generally considered to be desirable outcomes that result from the use of soft HRM. "The process and Knowledge Creation in Organizations" have attempted a comprehensive analysis of knowledge creation within the organization, exploring the relationships that exist between Knowledge acquisitions, Problem solving capability, New knowledge creation, and Firm performance.

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