

HRM Practices, Challenges, Techniques of Managing HR and Job satisfaction among employees: A study with reference to commercial banks at Bangalore

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Abstract

Enhanced interest has been shown over the recent years in the area of human resource management. It has been realized by all organizations in the era of globalization and with severe competition human resources are the drivers of success of any organization. At present the literature encourages the treating human resources as strategic factors not only they play the role of strategic implementation but also recognized as sources of sustainable competitive advantage.

The recognized market economics of USA, UK and France etc., recognizes the significant role of human resources in the management of commercial banks. Change is inevitable and human resources are capable of adapting to any kind of change which is possible only when human resources are systematically developed. The emerging new dimensions have placed on the part of commercial banks like branch expansion to unbanked and remote rural areas on a larger scale covering small scale sector, self employed persons, artisans, weaker sections of the society, small and marginal traders. Against this background study has been taken up to study the different HR practices in different commercial banks at Bangalore. Bangalore has been nicknamed as silicon valley, IT hub, and global garment center.

Keywords : HR Practices, commercial banks, salary, managing HR, prudential norms, balanced organization, employee benefits, retention.

Introduction

In this globalised scenario every effective organization felt the value of human resource in the attainment of organizational goals. It is a well know fact that every business organization physical assets and human resources are required for its success (Sharma and Shukla 2010). Human beings between the two components said above constitute dynamism (Ratti 2012). Human beings ensure the existence of a symbiosis between financial and all other physical assets towards the attainment of organizations vision and mission (Narayana 2010). Islam et al. (2013) stated that the human resources are defined as the energies, skills, talents and knowledge of people which are potential in rendering services. Though human resources are considered as most vital for the success of any organization but a few organizations are able to utilize fully the potentialities of human resources. Banks like any other organization need to transform inputs into output at an efficient rate to gain more profits to sustain in this competitive banking business world (Md. Farid Hussain Talukder et al. 2014).

Researchers like Wickramasinghe et al. (2012) consider human resources as more important drivers especially to the service based sector than any other sector of a country. This is so because the materialization of any strategy in the service oriented organizations is highly dependent on human capital and employee (Cuganesan 2006). Due to increased importance of HR practices to gain competitive advantage for the organizations in the quick changing knowledge based economy some scholars have paid attention towards the deciders on the adoption of the HR practices (Tannenbaum and Dupuree - Bruno 1994).

Objectives

The objectives of the present study are mentioned below:

- 1) To analyze the awareness level amongst respondents about the challenges to be faced by HR department.
- 2) To analyze the HR practices among commercial banks at Bangalore.
- 3) To probe the techniques of managing HR.
- 4) To analyze the job satisfaction on the basis of some indicators.

Hypothesis

- 1) The respondents are not aware of challenges to be faced by HR department.
- 2) These are no human resource practices in commercial banks at Bangalore.
- 3) There are no techniques of managing HR.
- 4) Employees are not satisfied with their job.

Research Methodology

The present research is carried out with an intention of testing the above stated hypotheses and to analyze hypothetical association among dependent variable and independent variable. The HR practices being dependent variables are highly impacted by independent variables. The HR practices may be creation of Data bank of HR, training, Provident fund, short term employee benefits, grooming and etiquettes programmes for frontline employees, mapping of existing resources and new organizational structure. Further challenges are dependent variables and cover all the challenges faced by HR department. The research is conducted in non-contrived setting and hence a clear feedback and responses were gathered. The present study is labelled as cross sectional i.e., consisting a typical or representative sample of a large group (Cavana et al. 2001)

Research Instrument

Questionnaire type of survey is more appropriate as it is cost effective. It is pre-formulated written set of questions to which respondents record their consumers. The questionnaire technique of data collection tends to be most popular method (Easterby-Smith et al 1991).

Questionnaire Design

The present study depends upon a structured questionnaire which was administered as schedule after considering the literacy rate among the support staff and to avoid non response and delays as the employees are round the clock are busy with their schedule. The street levels among the bank employees scenario and may not be available after the working hours. The data collector requested the informants to provide proper responses and intention behind such data collection was also explained. The respondents were humbly appealed to provide information regarding challenges to be faced by HR department, HR practices in their bank, techniques of managing HR and their job satisfaction.

University of the study

The study is confined to Bangalore urban. All global banks, private banks, nationalized and new private banks are playing a significant role in the development of Bangalore and Karnataka. All banks are facing stiff competition in their business. Officer grade, clerical grade and supporting staff has been interviewed and data collected.

Sample of the study

Using the formula suggested by Bill Godden the sample of the study was decided.

SS = infinite where population is > 50,000

$SS = Z^2 \times (P) \times (i-p)/c^2$

Z = Z value (e.g. 1.96 for a confidence level)

P = Percentage of population picking a choice, expressed as decimal.

C = Confidence interval, expressed as decimal.

(e.g. 0.04 = +/- 4 percentage points)

AZ values (Cumulative Normal Probability Table)

1.645 = 90% Confidence level

1.96 = 95% Confidence level

2.576 = 99% Confidence level

$SS = 3.8416 \times 0.5 \times 0.5 / 0.0016 = 0.9604 / 0.004$

= 600.25 or 600.

Sampling technique

A total of 600 employees from different Banks were selected across Bengaluru Urban. Branch wise and sample selected is presented below. Convenient sampling technique was followed for the data collection.

Sl. No.	Type of Bank	Branches & Sample	Total Sample
1.	Public Sector Banks	20 x 20	400
2.	Private sector old	10 x 10	100
3.	Private sector new	5 x 10	50

4.	Foreign banks	5 x 10	50
Total			600

Source of data

The present study covers both primary and secondary data. A well drafted questionnaire was administered as schedule and primary data was gathered. Secondary sources include research journals and different websites.

Statistical tools

The data collected from primary sources through field survey were computed, classified, tabulated analyzed and interpreted. Using Likert different point of scale the tables were prepared. ANOVA quantitative metric was performed to measure the variability among bi-polar expressions of respondents.

Review of literature

Jadhav (2013) concluded that public and private Indian banks undertake training and development programmes for their employees to increase their efficiency. Further, the author stated that growth of Indian banking sector is the result of skilled manpower which is the outcome of training and development.

Kulasrestha et al.(2013) did a comparative study of service delivery of public sector bank and private sector bank. In socio economic conditions of Indian markets where public sector banks are facing severe competition from both private and foreign banks, maintenance of personal relation with customers is of prime importance for growth of business. The public sector banks as per the suggestion of the customers and others need to imbibe a sense of customer orientation as part of their organization culture. They need to be trained and motivated to the level that they create synergy at work place and motivate their colleagues to improve upon the service delivery.

Ekta (2014) expressed that training of private sector banks is better than public sector. Public sector banks have to improve their training so that performance of employees are improved and profit of the bank increases. The author suggested that public sector banks have to hire trainers externally who have good experience of teaching. Training and revision has to be conducted rigoursly and power point presentation should be provided for further reference.

Vikramjeet et al. (2014) stated that they found overall HR practices having positive correlation with job satisfaction. The banks performance is driven by well developed HR practices and policies covering the selection, employee training, compensation and benefits, staffing practices, employee relations, internal career opportunity, security of job, performance appraisal, communication and job satisfaction. The transparency and maintaining equity of these policies reduce feeling of alienation at work and such practices generate trust among the employees which in turn may promote productivity of the employees and attainment of banks goals.

Neelakantaiah. M (2015). revealed that the major challenge now for banks and other organizations is therefore about how to develop their social skills that develop intellectual capital as a necessary driver of charge. Development of human beings stands as index of institutional quality. Further, the author has stated that taking banking industry to higher levels requires application of innovative technology better process of credit and risk appraisal, treasury management, product diversification, internal control, and external regulations and human development.

Survey findings

Table - 1 : Awareness of challenges to be faced by HR

Driving factors of challenges	SA	A	SWA	T
Transformation of Indian companies into global companies without loosing positive values and culture	55	38	6	99
The challenge of training and development of human resources to match ever changing industry demands	50	35	4	89
The challenge of social issues and infra-structural foreign banks	45	25	7	77
The challenges of retention of employees avoiding attribution and motivation of employees	61	28	6	95
The challenge of sustainability on account of cut throat competition by the national and international companies	43	30	4	77
The challenge of creating a balanced organization that emerges from mergers and acquisition	48	28	5	81
The challenge of financial instrumentation followed by banks in different phases of business cycle and emerging compulsions of new prudential norms and bench marking	34	45	3	82
Total	336	229	35	600

Source: Field Survey

Note : SA - Strongly Agree, A - Agree, SWA - Somewhat Agree

Hypotheses

H0	There exists no significant variation in the data	Reject
H1	There exists significant variation in the data	Accept

ANOVA Table

Source of variation	SS	df	MS	F-ratio	5% F limit (From F-Table)
Between the sample	6651.4658	(3-1)=2	6651.4658 =325.7329	325.7329/ 42.1960 =7.71	
Within the sample	759.5287	(21-3)=18	759.5287/18 =42.1960		(2,18) =3.55
Total	7410.9945	(21-1)=20			

Source: Field Survey

ANOVA Analysis:

The calculated value being 7.71 higher than the TV = 3.55 @ 5% level of significance with $df = v_1 = 2$ and $v_2 = 18$ fails to accept H0 and accepts H1. Therefore it is concluded here that there exist significant variation in the data and respondents are aware of challenges to be faced by HR department.

Table - 1 highlights data about challenges to be faced by HR department. These challenges vary from transformation of Indian companies into global companies without losing positive values and culture to challenges of financial instrumentation followed by banks in different phases of business cycle. Out of 600 respondents 336 forming 56% said strongly agree followed by 229 agree and 35 somewhat agree. Out of 336 who said strongly agree, 61 said about challenge of retention, 55 about transformation of Indian companies into global, 50 about training, 48 about creating balanced organization, 45 about the challenges of social issues and 43 about sustainability. Out of 229 who said agree 45 said about financial instrumentation followed by banks in different business cycle, 38 about transformation, 30 about substantiability, 28 each about retention and creation of balanced organization and 25 about challenge of social issues and infrastructure in foreign commercial banks. Out of 35 who said somewhat aware 7 said about the challenge of social issues and infrastructural faced by foreign banks, 6 each about transformation and retention, 5 about creating a balanced organization, and 4 each about training and development challenge, and substantiability. ANOVA quantitative metric fails to accept H0 and accepts H1 and therefore it is concluded here that there exist significant variation in the data and respondents are aware of challenges to be faced by HR department.

Table - 2 : Respondents awareness of HR practices banks at Bengaluru

HR Practices	SA	A	SWA	DA	T
Creation of database of HR	41	40	11	3	95
Training	42	28	4	2	76
Short term employee benefits	50	25	3	1	79
Grooming and etiquettes programme for frontline employees	38	26	7	4	75
Mapping of existing HR pool against future requirement	48	38	6	2	94
New organizational structure - customer service - cross selling of products - back office operations and marketing	52	30	4	4	90
Gratuity	44	35	7	5	91
Total	315	222	42	21	600

Source: Field Survey

Note : SA - Strongly Agree, A - Agree, SWA - Some What Agree, DA - Disagree

Hypothesis

H0	There exist no significant variation in the data	Reject
H1	There exist significant variation in the data	Accept

ANOVA Table

Source of variation	SS	df	MS	F-ratio	5% F limit (From F-Table)
Between the sample	8672.8131	(4-1)=3	8672.8131/3 =2890.9377	2890.9377 /17.9345 =161.19	
Within the sample	430.4287	(28-4)=24	430.4287/24 =17.9345		(3,24) =3.01
Total	9103.2418	(28-1)=27			

Source: Field Survey

ANOVA Analysis:

The calculated value being 161.19 higher than the TV = 3.01 @ 5% level of significance with $df = v_1 = 3$ and $v_2 = 24$ fails to accept H0 and accepts H1. Therefore it is concluded here that there exist significant variation in the data and respondents are aware of HR practices in different commercial banks.

Table-2 reveals data about respondent's awareness regarding HR practices in commercial banks at Bangalore. These HR practices as revealed in previous researches has been taken and presented. The database of HR, training, short term benefits, counseling system are practiced in SBI. PNB follows enriching the knowledge through training. HDFC bank provides gratuity to all employees. ICICI bank new organizational structure now becoming popular where in customer service, cross selling of products, back office operating and marketing. Bank of Baroda follow the HR practices of grooming and etiquettes programme for frontline employees. HDFC also follow the HR practice of mapping of "existing pool" against "future requirement". 315 respondents out of 600 strongly agree over HR practices followed by 222 agree, 42 some what agree, 21 disagree. Out of the 315 who said strongly agree, 52 said about new

organisational structure, 50 about short term benefits, 48 about mapping of existing HR pool against future requirements, 44 about gratuity, 42 training, 41 about database creation.

Out of 222 who said agree 40 said about creation of database, 38 about mapping of existing HR pool against future requirement, 35 about gratuity, 30 about new organizational structure. 28 about training, 26 about growing and etiquettes programme for front line employees, 25 about short term employee benefits. Out 42 who said somewhat agree, 11 said about creation of database of HR, 7 each about gratuity and growing and etiquettes programme for frontline employees, 6 about mapping of existing HR pool against future requirement, 4 each about new organizational structure and training. Out of 21 respondents who said disagree 4 each said about growing and etiquettes programme and new organizational structure. ANOVA statistical test fails to accept H0 and accepts H1 and therefore it can be concluded that there exist significant variation in the data and respondents are aware of HR practices in commercial banks at Bangalore.

Table - 3 : The technique of managing the HR

Different strategies	SA	A	N	DA	SDA	T
Hiring the right person for the right job	52	39	8	4	5	108
Retain the employees through innovative strategies	38	25	4	3	2	72
Declare short term benefits	45	20	6	2	3	76
Provide PF and gratuity	37	24	5	4	4	74
Train the employees	51	35	8	7	4	105
Measure the performance based on traditional or relevant parameters	42	30	7	5	2	86
Manage the HR through conduct of exit interviews	43	28	4	3	1	79
Total	308	201	42	28	21	600

Source: Field Survey

Note : SA - Strongly Agree, A - Agree, N - Neutral, DA - Disagree, SDA - Strongly Disagree

Hypotheses

H0	There exist no significant variation in the data	Reject
H1	There exist significant variation in the data	Accept

ANOVA Table

Source of variation	SS	df	MS	F-ratio	5% F limit (From F-Table)
Between the sample	9464.1627	(5-1)=4	9464.1627/4 =2366.0406	2306.0406 /16.9809 =135.802	
Within the sample	509.4287	(35-5)=30	509.4287/30 =16.9809		(4,30) =2.69
Total	9973.5914	(35-1)=34			

Source: Field Survey

ANOVA Analysis:

The calculated value being 135.802 higher than the TV = 2.69 @ 5% level of significance with $df = v_1 = 4$ and $v_2 = 30$ fails to accept H_0 and accepts H_1 . Therefore it is concluded here that there exist significant variation in the data and respondents are aware of HR practices in different commercial banks.

Table - 3 speaks about management techniques of HR. Out of 600, 308 strongly agree followed by 201 agree, 42 neutral, 28 disagree, 21 strongly disagree. Out of the 308 who said strongly agree, 52 said about hiring right person for the right job. 51 about train the employees, 45 about declare short term benefits, 43 about manage the HR through conduct of exit interviews, 42 about measure the performance based on traditional or relevant parameters, 38 about retain the employees through innovative strategies, 37 about provide PF and gratuity. Out of 21 who said strongly disagree, 5 said about hiring right person for the right job, 4 each about provide gratuity and PF and train the employees. ANOVA statistical test fails to accept H_0 and accepts H_1 and hence it is concluded here that there exist significant variation in the data and respondents are aware of techniques of managing the HR.

Table - 4 : Job satisfaction among employees in commercial banks at Bangalore

Indicators	HS	S	MS	S to SE	T
Salary	58	38	8	6	110
Job position and stress	45	28	5	4	82
Leave policy	45	25	3	3	76
Working conditions	56	30	5	5	96
Compensation	51	32	4	7	94
Career growth	40	25	7	2	74
Staffing system	34	30	3	1	68
Total	329	208	35	28	600

Source: Field Survey

Note : HS - Highly Satisfied, S - Satisfied, MS - Moderately Satisfied, S to SE - Satisfied to Somewhat Extent

Hypotheses

H_0	There exist no significant variation in the data	Reject
H_1	There exist significant variation in the data	Accept

ANOVA Table

Source of variation	SS	df	MS	F-ratio	5% F limit (From F-Table)
Between the sample	9073.1577	(4-1)=3	9073.1577/4 =2268.2894	2268.2894 /25.6428 =88.4571	
Within the sample	615.4287	(28-4)=24	615.4287/24 =25.6428		(3,24) =3.01

Total	9103.2418	(28-1)=27
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Source: Field Survey

ANOVA Analysis:

The calculated value being 88.4571 higher than the TV = 88.4571 @ 5% level of significance with $df = v1 = 3$ and $v2 = 24$ fails to accept H_0 and accepts H_1 . Therefore it is concluded here that there exist significant variation in the data and respondents are aware of job satisfaction indicators.

Table - 4 show data about job satisfaction among the employees in commercial banks at Bangalore. 329 respondents out of 600 are highly satisfied followed by 208 satisfied, 35 moderately satisfied, 28 satisfied to some what extent. The indicators vary from salary to staffing system. 329 respondents who said highly satisfied, 58 said about salary, 56 about working conditions, 51 about compensation 45 each about job position and stress and leave policy, 40 about career growth and 34 staffing system. Out of 208 who said satisfied, 38 said about salary 32 about compensation, 30 each about working conditions and staff system, 28 about job position, career growth. Out of 35 who said moderately satisfied, 8 said about salary, 7 career growth, 5 each about job position, stress and 5 about working conditions, 4 about compensation, 3 each about staffing system and leave policy. Out of 28 who said satisfied to some what extent, 7 about working conditions, 4 about stress. ANOVA test fails to accept H_0 and accepts H_1 and hence it is concluded that there exist significant variation in the data and respondents are aware of indicators of job satisfaction which ultimately impacts employee performance.

Conclusion

The purpose of this study is to probe about the challenges faced by banks, employee's awareness of HR practices existing in commercial banks of public, private and foreign banks. Respondents well said about their perception regarding challenges to be faced by the commercial banks, their awareness of HR practices, techniques of managing human resource and resultant job satisfaction. The study reveals the presence of employee productivity with human resource practices including employee benefits, their selection, compensation, training etc. Thus in this competitive era banks should create more committed workforce, which in turn the results indicate that HR practices and policies assist to face competition.

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