

Current Scenario of Human Resources Challenges Facing Banking Industry in India

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The Nationalised Banks has altered the character and scope of commercial banking sectors in India. It aided in quickening the rate of geographical and functional diversification. The new dimensions have placed varying responsibilities on the shoulders of commercial banks, such as the massive expansion of branch offices to unbanked and remote rural areas in order to cover the small scale sector, cottage and rural industries, self-employed persons, artisans, weaker sections of society, small traders, and other persons of limited means. Hence, this article addresses the current challenges faced by Banking Industries with respect to Human Resource.

Keywords: **Commercial Banks, Self –Employment Groups, Diversification, Nationalised Banks**

INTRODUCTION

In the Twenty First Century, The Human resource management (HRM), human resource development (HRD), and organisational development (OD), These three professions that "came up" distinct from each other, are developing as uniquely combining activities and processes. in the twenty-first century. In fact, It Contributing strategically to organisations necessitates coordination between HRM, HRD, and OD. This collaborate and think creatively about how they relate and how it affects individuals and organisations. The most important The bank's concern should be the effective integration of human resource management techniques with the strategies for business It should encourage more cohesive teamwork and generate a commitment to improve the efficiency of its human resources. capital. More than operational abilities, today's banking requires these ' soft talents' to meet the wants of customers.

Those Employees who work behind the counter Banks must recognise that money and technology—are the two most fundamental pillars of banking industries for achieving competitive advantage. The long-term objective for India's banking sector is to transition from a domestic to a global level, which may appear far-fetched at the moment. To propel this business to new heights of international excellence, a mix of new technology, improved credit and risk appraisal procedures, treasury management, product diversification, internal control, external regulations, and human resources are very essential.

In other words, the key issues facing Indian banks are the function of financial instruments at various stages of the business cycle, the rising compulsions of new prudential norms, and benchmarking the Indian financial system against foreign standards and best practises. There is a requirement for the introduction of new technology and skills for constructing and forming intellectual capital. The most pressing demand in this service industry is, of course, human resource development. The most important drawback is scarcity of available literate labour. This was the chosen industry for educated people.in addition to civil services jobs

for the country. In fact, this position has shifted substantially in recent years. Because the banking system is a public one, certain rigidities have arisen in HRD.

The Indian banking and finance system is anticipated to be globally competitive. Market participants will need to be financially robust as well as operationally effective to achieve this. Capital would be an important aspect in establishing a successful institution. The banking and financial system will become more competitive through a consolidation process, either through mergers and acquisitions or strategic alliances. The Indian banking sector has been critical to the country's socioeconomic progress. The system is supposed to be sensitive to the requirements of all segments of society in terms of growth and development. Aside from practising HR in various units, facing the central and external problems is a massive burden for banks. The HR department sales, finance, and manufacturing the strategic through time to attain its ultimate objectives in diverse ways. Monitoring and altering the strategy also allows the company to keep up with the times demand.

Literature Review:

From the study of earlier studies

D.V. Ramana Murthy in his study addressed the importance of human factors and trade unions in banks in this article titled "Human Factor in Banks." N.R. Seth in his study focuses on spoke about the growth, operation, and success of labour unions in Indian banks. In his work "Bank Branch Manager as a Counsellor," P. Subba Rao highlighted the function of counselling, performance counselling, and action planning. Further, T.V. Rao addressed in his book titled 'The HRD Machinery' highlighted HRD instruments, processes, and outcomes, HRD Departments and their tasks, structuring the HRD function, traits, and competency requirements of HRD managers, developing HRD managers, traps and temptations of HRD managers, and HRD instruments. Balader R. Sharma investigated managerial views, work technology, and organisational atmosphere in his study on "Human Resource Management in Banking Industry." P. Amsa's article "Organization cultural base for effective HRM in Banks" explored HRD related themes in brief, as well as numerous human resource management challenges. T.P. Raman detailed the practise of HRD and numerous HRD strategies in State Bank of India in his article "HRD in State Bank of India." Rather than a study, his paper is based primarily on his work experience at the bank. Agarwal, R. K. In his article on "HRD" at the State Bank of Patiala, he defined the goal and structure of the HRD department. Sharma and Pooja Purang (2000) discovered a positive relationship between value institutionalisation and HRD climate in a large public sector organisation in their study Value Institutionalization and HRD Climate: A Case Study of a Navratna public sector organisation, implying that a better and more ethical environment of the organisation will lead to a better HRD climate for the organisation.

The Objectives of the Study are:

1. To Study the organisational and HRD climate in banks
2. To Study the practises of various HRD Techniques, and
3. To study the outcome of HRD for the banks of employees.

Research Methodology

It is quite difficult to recognise and comprehend human resource development unless the interview approach is used. Interviews and discussions would be held with selected representatives of management from major commercial banks situated in Karnataka. A separate questionnaire will be developed for this purpose in order to draw on their rich personal ideas, experiences, and so on that cannot be included in the reports and records. Interviews will also be done with trainees who completed the training and management development programme, as well as their superiors, subordinates and peers to determine the impact of these programmes on job performance and behaviour. Another strategy for gathering secondary data for this study will be the acquisition of secondary data from several public sector banks as well as private sector banks for data analysis and result analysed with the help of statistical analysis.

Challenges Faced by Banking Industry

Herewith mentioned few challenges faced by Banking sectors in India.

1. Job expectations always changing, in order to meet needs of these skills, Training and Development is very essential to match the need of HR.
2. Another important area of HR nowadays is employee motivation and satisfaction. To reduce attrition, HR must understand that the alone monetary demands are not the suitable and sense of belongingness must be imbibed in employees.
3. HR will hire only those candidates who believe in long term commitment to the organization.
4. HR necessary to took initiative by retaining employees by offering plans like Holiday and fun- at work.
5. Due to fierce competition, HR in India is also tasked with creating a competitive advantage for the organisation. company's advantage over national and international competitors
6. The increasing significance that firms currently place on cost-cutting has presented HR with a difficulty.
7. to reduce HR spending without sacrificing productivity. Because right-sizing is becoming more popular in Indian organisations, HR is now tasked with identifying and retaining critical employees while letting go of individuals who do not meet the organization's future needs.
8. HR also has the difficulty of establishing a balanced organisation as a result of mergers and acquisitions. HR must incorporate policies that are mutually acceptable to the merging companies as well as those that are not profitable for the new company
9. As a result of globalisation, HR faces issues including as expatriation and repatriation. Employees must be trained by HR. that leave their home country to perform a foreign assignment It must also offer such personnel with enough spiritual support and employment security upon their return
- ten. With multinational corporations

HR Challenges in Banking Sector

Management of Human Resources

Considering the aforementioned human resource. Some extent it could be managed by adopting planning like

- People management/conducting departure interviews
- hiring the right individual for the right role
- retaining and developing

Selection of The Right Person for The Right Job

The most significant theoretical idea that emerges when judging whether the "right person" has been selected for the "right position" is the concept of "fit."

Meeting HR Challenges

The banking sector in India has grown significantly, not just in terms of size, but also in terms of services provided. With banks reaching out to the most remote parts of the country, one may expect positive consequences such as financial support to farmers and improved financial awareness.

Employees of the company

Banks will need to plan for the following:

- A consistent, precisely calibrated recruitment programme,
- Continuous skill up-gradation as rapid technological advances transform business.
- A new generation of workers will collaborate with an older generation as a team. Banking, in my opinion, is a team sport, and this new circumstance will necessitate cultural shifts and, as a result, change management.

Employee Retention and Development

We may be able to hire the best individuals for the job, but the real problem will be keeping them and developing them. This issue has numerous elements, including staff training and reskilling, as well as performance. Measurement, promotion and transfer policies, talent management, communication, and so on. I'd like to go over a few of them.

Development and Training

With the rapid expansion of banks, efficient and well-trained staff personnel are required to handle/deal with customers needs. Banks are establishing themselves as financial hubs for their clients, allowing them to expand in size and become well-known in the global market.

SUGGESTIONS

Banking, like many other organised sectors, necessitates multi-layered workforce to meet the diverse needs of professionals and support staff. The banking sector has evolved from a few institutions primarily involved in deposit acceptance and trade finance to a complex multi-player market containing a significant

number of commercial banks, financial institutions, and specialised banks engaged in a variety of product operations. From the study, herewith identified few suggestions.

1. While there must be incentives for good performance and penalised for poor performance.
2. An "employee performance review system" that is consistent, impartial, and balanced is required.
3. Enthusiastic and pleasant behaviour of staff to the customer is necessary
4. Banks must have a well-defined succession planning and career development structure.
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8. A human resource balance sheet should be included with the financial accounts.
9. To become HRD conscious, public sector banks should allow the HRD division to function independently, with the top person being a good successful banker himself, a true HRD person free of any biases.

Conclusion

To conclude, Organisations all over are rushing to implement the latest ideas on management, sometimes to the point of overuse. The major challenge now for banks as well as any other organisation is therefore how to develop their social architecture that generates intellectual capital as the quintessential driver of change. Developing the individual or human capacity is an integral element of building capacity and, in fact, capacity building initiatives are now increasingly becoming almost an index of institutional quality. Taking the banking industry to the heights of excellence, especially in the face of a forehead-detailed emerging realities, will require a combination of new technologies, better processes of credit and risk appraisal, treasury management, product diversification, internal control and external regulations and, not the least, human resources.

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