



A STUDY ON HUMAN RESOURCE AUDIT IN BANKS WITH REFERNCE TO STATE BANK OF INDIA AND BANK OF BARODA

Dr.M.VAANMALAR¹**Ms.B.SOORIAPRIYA²**

¹ Assistant Professor, Department of Corporate secretaryship(Aided), Erode Arts and Science college, Tamilnadu, India.

² Research Scholar, Department of Corporate secretaryship(Aided), Erode Arts and Science college, Tamilnadu, India.

ABSTRACT

This study explores the significance of Human Resource (HR) audit within the banking sector, focusing on State Bank of India (SBI) and Bank of Baroda (BOB) as case studies. The research investigates the effectiveness of HR audit practices in enhancing organizational performance and ensuring compliance with regulatory standards. A mixed-methods approach, including surveys and interviews, is employed to gather data on HR audit processes, challenges, and outcomes within these banking institutions. Findings indicate differences in HR audit frameworks, implementation strategies, and impact on employee productivity and satisfaction between SBI and BOB. The study offers insights into best practices and areas for improvement in HR audit within the banking sector, contributing to the literature on HR management and organizational effectiveness.

INTRODUCTION

Strong development has been seen in human resource management (HRM). It is essential to assess the outcomes produced by the creation and application of personnel policies in order to give managers information that is valuable. These are the HR audit's objective, which is represented by two evaluations and assessments. Considering HR practises and how well they align with the business's goal, as well as human capital characteristics. Job analysis and design are only a few of the many HRM activities. Sourcing and choosing, settling in and placement, instruction and growth, employee and executive compensation, performance review, and job evaluation. Encouragement, participation in management, communication, welfare, safety, and health, Trade unions, labour relations, and conflicts and how they are settled. These a variety of social, functional, and individual goals are furthered through activities. A good HR function in an organisation is just as crucial as a person's physical and mental health. To have a through understanding of their HR processes, organisations

often opt to perform an audit. To do a general assessment of the organization's state and to see whether certain systems implemented are having any effect. A HR audit is beneficial businesses to identify any gaps or failures and the causes of the same. Since, Every organisation has certain process and goals, and an HR audit contrasts the goals with the plans to the actual execution.

REVIEW OF LITERATURE

Majumdar, Shyamal in his editorial column in the business standard holds the view that HR audit, Strategic Training Unit, leadership development SBI is doing all that it takes to be an employer of choice. 'Employer of choice' is not a branding that the country's largest bank is used to. But it finally happened when the State Bank of India (SBI) figured in the list of the top 10 employee friendly Indian organizations in a Business Today survey. It was a surprise as the hurdles were many. The public sector legacy means that the SBI management's hands are tied.

Saha, Manojit in an article on Reserve Bank's biggest HR audit gets tepid response expressing the view that the Reserve Bank of India (RBI) has embarked on its biggest ever human resources (HR) audit programme to take a complete relook at its man management practices. HR audit, regarded as a diagnostic tool rather than a prescriptive instrument, is a process which examines the organization's HR policies and procedures to reveal the strengths and weaknesses of employees and suggests solution, wherever required.

McConnel, J. H. in the book Auditing your Human Resource Department describes that as more and more organizations demand high performance from all their business units, HR departments are scrambling to prove their value and not just in general terms, but in painstaking detail. Now there's a readymade tool that make the HR assessment as quick, complete and painless as possible.

Curtice, J., who is an independent human resource consultant, in an interview to a magazine entitled 'Benefits Marketing', addresses the critical need for companies to conduct an "HR Audit". Once an HR Audit is conducted, the company knows exactly what needs to be done to ensure legal compliance and to prevent, either litigation by disgruntled employees or significant fines or other penalties from a regulatory body for being out of compliance.

OBJECTIVE

1. To Study how HR Audits affect Employee discipline across various Employee Cadres.
2. To Evaluate the Effect of HR Audits on Work Culture.
3. To identify how HR Audit improved in Industrial Relations.
4. To Analyse the HR Audit model by Employees Performance and Organizational effectiveness.
5. To Analyse the HR Audit in Bank of India and Bank of Baroda

SCOPE OF THE STUDY

The HR department's actions must be included in the human resource audit, as well as activities outside of it, because general population issues do not only affect the HR division. Consequently, the audit's scope should be wide. It must assess the personnel function, the managers' application of its policies, and the results of the workers subsequent behaviour.

1. Audit of human resource function.
2. Audit of managerial compliance.
3. Audit of the human resource climate.
4. Audit of corporate strategy.

RESEARCH METHODOLOGY

RESEARCH DESIGN

The study is designed to know about the factors to improve in HR audit with reference to State Bank of India and Bank of Baroda

SOURCES OF DATA

Under this study both Primary and Secondary data are used. This study is conducted to know all the elements in HR Audit with reference to banks.

PRIMARY DATA

Primary Data was collected through the interview with the help of questionnaires. It is collected from the potential respondents in Coimbatore city.

The question included were:

- Open ended question
- Close ended question

SECONDARY DATA

Secondary data refers to the data that already collected and analysed by someone else. The Secondary data was collected from internet, articles, journals, websites and magazines.

SAMPLE DESIGN

Convenient sampling method was used in the present study to collect this data.

SAMPLE SIZE

A Sample is a part of target population selected from the universe to constitute a sample. From the total of 200 Respondents.

TOOLS AND TECHNIQUES FOR ANALYSIS

The information collected during the study is transferred to the worksheet. The data's relating to the objectives used in the study is classified and the findings are graphically represented after data's collected.

STATISTICAL TOOLS USED FOR STUDY

The following statistical tools have been to analyse the primary data.

- Simple percentage analysis
- Chi square analysis
- Anova analysis
- Ranking

DATA ANALYSIS AND INTERPERTATION

SIMPLE PERCENTAGE ANALYSIS

Simple percentage refers to a special kind of rates, percentage are used in making comparison between two or more series of data. A percentage is used to determine relationship between the series.

FORMULA

$$= \frac{\text{No of responses}}{\text{Total no of respondent}} \times 100$$

TABLE 1.1

RECRUITMENT PROCESS IN STATE BANK OF INDIA AND BANK OF BARODA

S.no	Particulars	No .of Respondents	Percentage
1	Agree	112	56%
2	Strongly Agree	42	21%
3	Neutral	42	21%
4	Disagree	4	2%
5	Strongly Disagree	0	0%
	Total	200	100

Source :Primary Data

INTERPRETATION

From the above table, it is inferred that 56% of the respondents belong to Agree, 21% of the respondents belong to Strongly Agree, 21% of respondents belong to Neutral, 2% of respondents belong to Disagree and 0% of respondents belong to Strongly Disagree.

Thus, it is evident from the above analysis that majority say (56%) of the respondents believe in Recruitment process in State Bank of India and Bank of Baroda provides equal opportunities.

TABLE 1.2

EFFECTIVE PERFORMANCE APPRAISAL SYSTEM AT STATE BANK OF INDIA AND BANK OF BARODA

S.no	Particulars	No .of Respondents	Percentage
1	Extremely Satisfied	70	35%
2	Moderately Satisfied	93	46.5%
3	Neutral	32	16%
4	Dissatisfied	4	2%
5	Extremely Dissatisfied	1	0.5%
	Total	200	100

Source :Primary Data

INTERPRETATION

From the above table, it is inferred that 35% of the respondents belong to Extremely Satisfied, 46.5% of the respondents belong to Moderately Satisfied, 16% of the respondents belong to Neutral, 2% of the respondents belong to Dissatisfied and 0.5% of the respondents belong to Extremely Dissatisfied.

Thus, it is evident from the above analysis that majority say (46.5%) of the respondents are satisfied with Effective Performance Appraisal System at State Bank of India and Bank of Baroda.

CHI SQUARE ANALYSIS

The chi-square statistic compares the observed values to the expected values. This test statistic is used to determine whether the difference between the observed and expected values is statistically significant or not.

TABLE 1.3

Gender * Appraisal System Crosstabulation Count

	Appraisal System				Total
	Extremely Satisfied	Moderately Satisfied	Neutral	Dissatisfied	
Female	30	44	23	2	99
Male	40	49	9	3	101
Total	70	93	32	5	200

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.003 ^a	3	.046
Likelihood Ratio	8.221	3	.042
Linear-by-Linear Association	3.976	1	.046
N of Valid Cases	200		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 2.48.

To find out the association between the gender and appraisal system on HR Audit with reference to State Bank of India and Bank of Baroda.

Calculated value of Chi-square = 8.003

Degree of Freedom = row-column

$$=(4-1)(2-1)=3*1$$

$$=3$$

Table Value = 7.815

INFERENCE

From a table 4.2.1, a chi square test of independence was performed to examine the relationship between gender and appraisal system on HR Audit with reference to State Bank of India and Bank of Baroda. The results shows that the chi square is 8.003 with 3 degree of freedom which is less than the significance level of 0.05. Therefore, we reject the null hypothesis, which suggests that there is significant relationship between the gender and appraisal system on HR Audit with reference to State Bank of India and Bank of Baroda.

TABLE 1.4

AGE AND INTEREST RATES & FEES

Age * Interest Rates & fees Crosstabulation Count

		Interest Rates & fees				Total
		Very Satisfied	Satisfied	Neutral	Dissatisfied	
Age	20-25	1	15	8	0	24
	25-30	16	18	9	0	43
	30-35	14	51	10	2	77
	35-40	16	31	7	2	56
Total		47	115	34	4	200

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.518 ^a	9	.021
Likelihood Ratio	21.649	9	.010
Linear-by-Linear Association	1.803	1	.179
N of Valid Cases	200		

a. 5 cells (31.2%) have expected count less than 5. The minimum expected count is .48.

To find out the association between the age and interest rates & fees on HR Audit with reference to State Bank of India and Bank of Baroda.

Calculated value of Chi-square = 19.518

Degree of Freedom = row-column

$$=(4-1)(4-1)=3*3$$

$$=9$$

Table Value = 16.919

INFERENCE

From a table 4.2.2, a chi square test of independence was performed to examine the relationship between the age and interest rates & fees on HR Audit with reference to State Bank of India and Bank of Baroda. The results shows that the chi square is 19.518 with 9 degree of freedom which is less than the significance level of 0.05. Therefore, we reject the null hypothesis, which suggests that there is a significant relationship between the age and interest rates & fees on HR Audit with reference to State Bank of India and Bank of Baroda.

ANOVA ANALYSIS

ANOVA, is a statistical method that separates observed variance data into different components to use for additional tests. A one-way ANOVA is used for three or more groups of data, to gain information about the relationship between the dependent and independent variables.

TABLE 1.5

ANOVA

Salary

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9.936	3	3.312	2.540	.058
Within Groups	255.564	196	1.304		
Total	265.500	199			

INFERENCE

From the table 4.3.1, the Anova results indicate that there is a significant association between salary and interest rates & fees on HR Audit with reference to State Bank of India and Bank of Baroda. The F-statistic values for salary is 2.664, with p- values of 0.058, which is less than or equal to the alpha value of 0.05. Therefore, we reject the null hypothesis and conclude that salary is significantly associated with HR Audit with reference to State Bank of India and Bank of Baroda.

TABLE 1.6

AGE AND APPRAISAL SYSTEM

ANOVA

Age

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.073	3	1.024	1.630	.184
Within Groups	123.147	196	.628		
Total	126.220	199			

INFERENCE

From the table 4.3.2, the Anova results indicate that there is a significant association between age and appraisal system on HR Audit with reference to State Bank of India and Bank of Baroda. The F-statistic values for age is 1.630, with p- values of 0.184, which is more than the alpha value of 0.05. Therefore, we accept the null hypothesis and conclude that age is significantly associated with the satisfaction level of HR Audit with reference to State Bank of India and Bank of Baroda.

RANKING

Table 4.4.1

	1	2	3	4	5	Total	Average	Rank
Managing financial investments	65	36	39	45	15	691	3.455	5
Handling customer complaints	41	57	45	46	11	701	3.505	4
Attracting and retaining talent, ensuring compliance, and developing HR policies	39	49	50	46	16	860	4.3	3
Sales and marketing	38	44	51	50	17	965	4.825	2
Financial advice to Customers	41	54	39	46	20	995	4.975	1
Total	200	200	200	200	200			

INTERPRETATION

It could be observed from the table that factors towards – Managing financial investments placed as **FIRST RANK** followed by – Handling customer complaints placed as **SECOND RANK** followed by –as Attracting and retaining talent, ensuring compliance, and developing HR policies placed as **THIRD RANK** followed by –Sales and Marketing placed as **FOURTH RANK** followed by – Financial advice to Customers placed as **FIFTH RANK** respectively.

FINDINGS

SIMPLE PERCENTAGE ANALYSIS

- Majority of 67.5% of respondents are belongs to the State Bank of India.
- Majority of 38.5% of respondents are belongs to the age of 30-35

- Majority of 67.5% of respondents are belongs to the salary of 20000-25000.
- Majority of 50.5% of respondents are belongs to gender of Female.
- Majority of 67% of respondents are satisfied with HR policies and procedures in State Bank of India and Bank of Baroda.
- Majority of 81.5% of respondents are play a Strategic role in Business Development.
- Majority of 56% of respondents are agree in Recruitment process in State Bank of India and Bank of Baroda provides equal opportunities.
- Maximum of 46.5% of respondents are satisfied with Effective Performance Appraisal System at State Bank of India and Bank of Baroda.
- Majority of 66.5% of respondents are have compensation and benefits package at State Bank of India and Bank of Baroda competitive and aligned with industry standards.
- Majority of 64.5% of respondents have effective channels of communication for Employees.
- Maximum of 48.5% of respondents have Satisfied with Customer service provided by Bank..
- Majority of 75.5% of respondents have various digital Banking options offered by Bank.
- Maximum of 40.5% of respondents have personal and financial information when using bank digital services.
- Majority of 57.5% of respondents have satisfied with the interest rates and fees associated with the Bank Accounts.
- Majority of 73.5% of respondents have used Financial Planning and Advisory Services provided by Bank.

CHI SQUARE ANALYSIS

- There is no relationship between gender and appraisal system on HR Audit with reference to State Bank of India and Bank of Baroda.
- There is no relationship between age and interest rates & fees on HR Audit with reference to State Bank of India and Bank of Baroda.
- There is relationship between salary and appraisal system on HR Audit with reference to State Bank of India and Bank of Baroda.

ANOVA ANALYSIS

- There is no relationship between salary and interest rates & fees on HR Audit with reference to State Bank of India and Bank of Baroda.
- There is relationship between age and appraisal system on HR Audit with reference to State Bank of India and Bank of Baroda.

- There is no relationship between age and interest rates & fees on HR Audit with reference to State Bank of India and Bank of Baroda.

RANK ANALYSIS

It could be observed from the table that factors towards – Managing financial investments placed as FIRST RANK followed by – Handling customer complaints placed as SECOND RANK followed by –as Attracting and retaining talent, ensuring compliance, and developing HR policies placed as THIRD RANK followed by –Sales and Marketing placed as FOURTH RANK followed by – Financial advice to Customers placed as FIFTH RANK respectively.

SUGGESTIONS

- Customer Service provided by Bank can be improved.
- Training and development should be promoted for employees growth.
- Effective Channels of communication should be improved for employees.
- Recruitment process of employees in bank can be increased.
- HR Policies and Procedures should be improved.

CONCLUSION

In this comprehensive study of HR audit practices within State Bank of India (SBI) and Bank of Baroda, it is evident that both institutions prioritize certain aspects of human resource management, such as employee training and performance appraisal systems, to maintain competitiveness and efficiency in the dynamic banking sector. The examination of various HR dimensions including recruitment, training, performance management, employee engagement, succession planning, and diversity and inclusion initiatives provided valuable insights into the strengths and areas for improvement within each bank's HR framework.

SBI exhibits a robust training and development program, ensuring that employees are equipped with the necessary skills and knowledge to meet the evolving demands of the banking industry. Additionally, SBI's performance appraisal systems are structured and transparent, promoting accountability and goal alignment among its workforce. However, challenges persist in areas such as employee engagement, where strategies to foster a culture of inclusivity and motivation need further enhancement.