



# "HUMAN RESOURCES MANAGEMENT PRACTICES IN BANKS OF UTTAR PRADESH: A SYSTEMATIC REVIEW APPROACH"

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## ABSTRACT

*The correct integration of business strategies and human resource management practices should be the banks' top priority. It may seem unlikely at this time, but India's banking system's long-term goal is to evolve from a domestic to a global one. The workforce of a business is made up of its human resources. The Indian banking industry consists of regional rural banks, private sector banks, public sector banks, cooperative banks, and banks with foreign ownership. The current study is an effort to look into on the HR practises of different Indian banks in Uttar Pradesh. Since employee performance is the most crucial component of an organization's success, effective human resources strategies that promote employee performance and foster a culture of high performance in both public and private sector banks are required. Hiring, performance management, organisation development, safety, wellness, benefits, employee engagement, communication, administration, and training are just a few of the concerns that HRM deals with in the workplace. This paper will shed light on the idea of the necessity of an HR department in banks of Uttar Pradesh.*

**KEYWORDS:** HRM, Banking sector, Industry, Practices, public , private ,Uttar Pradesh.

## INTRODUCTION

Any contemporary economy depends on the banking industry to function. It is one of the crucial financial foundations of the financial industry and is essential to the operation of an economy. It is crucial for a country's economic progress that its financing requirements of commerce, industry, and agriculture are satisfied with greater dedication and accountability. Consequently, a nation's progress is closely related to its expansion of banking. In a contemporary economy, banks should not be viewed as merchants in terms of wealth, but as the pioneers of development. They are crucial in the mobilisation of deposits and the distribution of loans to different economic sectors. The country's financial situation is reflected in the banking system. A sound and solvent banking system is a prerequisite for a strong financial system, which in turn depends on a strong economy. Savings were effectively mobilised in productive sectors by a sound banking system, and a solvent banking system assures that the bank can fulfil its responsibility to the depositors.

To accomplish this objective, HRM brings individuals and the company together. In the UP banks, it entails hiring, selecting employees, providing proper orientation and induction, providing proper training and development skills, performance appraisal, providing proper compensation and benefits, motivating employees, maintaining proper relations with labour and with trade unions, and maintaining employee safety. The public and private sector banks in Uttar Pradesh offer a fairly broad range of HRM services, including operations like recruitment, training, motivation, and maintenance. However, In order for the association to achieve the organisational goal smoothly, without any issues related to the human behaviour of the employees as well as the services obtained by the employees in accordance with the field of work for the employees, HRP typically plans and oversees the human needs of actual performance and compares them with the future needs of the company. The results of this planning are known as performance appraisals, which allow for the professional prediction of future requirements and the manager's use of appropriate solutions to motivate employees to perform to the best of their abilities, ultimately achieving the organisational goal.

### Origin of banks in india and uttar pradesh

In India, banking first emerged in the 1700s. But in the beginning, the main objective was to set up new banks and make the banking industry an important part of Indian society. In the years leading up to independence, around 600 banks collaborated to bring about several significant advancements that would strengthen the country's economy. The earliest bank in India, the Bank of Bombay, was established in 1720, while the Bank of Hindustan, one of the country's first modern banks, was established in Calcutta in 1770 but ceased operations in 1832. Few mid-1800s-era banks that had already been founded joined to become Imperial Bank of India. State Bank of India is the name given to the group over time. Several private banks were also established at this time, some of which are still in operation today. In addition to the expansion of the banking system, the rise of commercial banks and bank mergers are noteworthy developments of this time period.

In Uttar Pradesh With a capital of ₹1,000,000, the Agra Bank was established in 1833 at Agra, in the Indian state of Uttar Pradesh. Its business remained limited to military advancements by 1840. The government prevented attempts to circulate banknotes, but the majority of locals didn't find notes very appealing. A Mr. Bathurst, a businessman from England who had come to India in the hopes of making it large in the banking business, built another bank in Mirzapur in 1835. The bank produced its own notes and had a limited amount of success in bill discounting. Some other bank like The Benares Bank in 1844 and the The Cawnpore Bank in 1845 started banking in Uttar Pradesh but discontinued in early days of business.

### **Need of banks in Uttar Pradesh**

Early on, India's states were separated into local regions, which caused the economy as a whole to fail. There were no such significant rules developed to control and regulate the earnings earned on a sizable piece of land due to UP being in the northern area of the country. After achieving independence, Uttar Pradesh (UP) grew to be one of the largest states, making it difficult to keep track of the state's economic situation. Due to the huge amount of land that was available, the majority of it was used for farming. As a result, the government established Gramin and regional banks. As UP's financial and heritage aspects developed over time and it became necessary to handle the financial values this state generated, banks became more and more necessary.

### **Structure of banking sector in Uttar Pradesh**

In Uttar Pradesh, banks are essential to the state's socioeconomic development. As it comprises more than half of the financial sector's assets, the banking industry dominates this northern region of the nation. Financial sector reforms, which are being implemented gradually, have caused significant changes in Indian banks, which have been going through an interesting phase. The national per capita bank to population ratio is less than 9000 while for UP it is about more than 10000. Although UP has a network of over 13,000 branches of different banks.

Uttar Pradesh banking sector includes both private and Public sector banks. But the public sector banks make up more of the financial sector of Uttar Pradesh. The state bank of India, Punjab National Bank, Canara Bank, Union Bank, Bank of Baroda, Bank of India, Indian Bank others comprise the public sector. The private sector includes all of the major banks like Axis Bank, HDFC Bank, ICICI Bank etc, and three regional rural banks are Aryavart Bank, Pratham UP Gramin Bank and Baroda UP Bank. Some of the cooperative bank also works in U.P.

### **Concept and technique in Human Resources Practices**

The HR division is concentrating on the recruitment process, employee improvement, and employee happiness in the business. The manager of the HRM uses the following distinctive methods in her HR practices:

Performing a job analysis: The HR department conducts thorough job analyses of the open positions in the company so that managers may quickly determine whether a candidate is qualified for the position.

Planning labour requirements and hiring job candidates: HR practises also include approaches prior to hiring employees, plans that include the estimation of the labour demands, and hire employees in accordance with those needs.

choosing applicants for jobs: Before an employee is hired by the company, the selection process for fresh candidates involves roughly 10–12 steps.

Managing pay and wages: The HR departments manage all of the employee pay and salaries using this method. One of the most crucial aspects of a business is how salaries are allocated because each client must receive a varied compensation depending on their position within the organisation. All transactions pertaining to salary and wage transactions are properly documented.

Training and developing managers: This technique is used to increase the manager's knowledge and abilities in accordance with how the external environment is changing, enabling the manager to make decisions and guide the management to greater heights in the sales market through the proper application of newly acquired abilities that have been adopted by the manager in training and development programmes for managers.

Building employee commitments: This strategy is also used in HR procedures to raise employee confidence levels and enable them to make commitments for the completion of work by a given deadline. In essence, this strategy manipulates the worker's thinking to do the task at hand in the allotted amount of time.

## **OBJECTIVES OF THE STUDY**

- To study the human resources management practices in Banking sector of Uttar pradesh.
- To analyze and provide suggestions for improving human resource practises in Uttar pradesh.

## **REVIEW OF LITERATURE**

The administration of an organization's human resources, or its personnel, is known as human resource management (HRM) or simply HR. In addition to monitoring organisational leadership and culture, it is in charge of recruiting, selecting, training, evaluating, and rewarding personnel. It also makes sure that employment and labour regulations are followed. HR will often also act as the company's main point of contact with the employees' representatives in situations where employees want and are legally permitted to hold a collective bargaining agreement.

**Maggie M. Cheng (2019)** The algorithmic utilizations of HRM are not hypothesis driven and the mark of —black box‖ has been summoned by the pundits regularly, whose endeavors are not fitting altogether. Calculations which are connected with HRM are considered as a best heuristics. In the finding of suggestions which are viewed as it has been noted that there is a separation in the professional of the research with apparent alongside the academic endeavors which is relative as well as the interest of the expert in the calculations of HRM has been expanded in beyond couple of years.

In their 2016 study, **Mittal, Gupta, and Mottiani** looked at the relationship between customer satisfaction levels and HRM practises in Indian commercial banks. Information was gathered from 203 private bank personnel. According to the study's findings, various HRM procedures significantly and favourably affect customer satisfaction.

In an effort to examine the human resource management (HRM) procedures used by public and private sector banks in Telangana state, **Ramakrishna, P. and Rao, K.S. (2017)** have made their comparison. They came to the conclusion that throughout time, the HRM practises in the Indian banking sector changed and that the private sector banks' HRM procedures are superior to those of the public sector banks.

**Mehta (2016)** discovered that the work culture of public sector banks is built on the idea of social responsibility, with profit being a secondary factor. Banks in the private sector want to be profitable. The disparities between the sectors are very important in determining the work culture of a business; this has a big impact on HRM practises. The study discovered that public sector banks have a different history and work culture than do private sector banks.

According to **Kumar (2016)**, the efficient utilisation of an organization's people resources is the only factor that can guarantee success. The person who drives a company's profit curve upward is not a computer, but rather a highly motivated somebody. The only strategic resources that can significantly affect the achievement of a goal between two or more companies are people. Additionally, it makes a huge difference in the overall efficiency of the business. It is generally accepted that a person contributes more to the organisation the more satisfied they are with their job.

**Matthew M. Piszczek(2019)** that are carried out by the work family have been used as a foundation for theoretically upgrading research that fits into both the context of the individual and the environment. With its widespread use, there are numerous gaps in the literature as well as potential for its use, both of which are emerging. In order to provide a conceptual model that elaborates the cognitive processes through which human resources work family practises are associated to the perception of individual work family environments, attribution theory has been eliminated from the current study. The supply that is available for the employee to combine work and other segments, including the family domain, is determined in large part by these features.

**Sushmita Chaudhary(2019)** This thesis' major goal was to present a research of the effectiveness of HRM in the banking industry. The primary goal is to use HRM to monitor all staff members' activities while they are employed by odd associations. The HRM and its practise have been incorporated into this thesis from historical times to the present generation and also for the impending future.

In order to evaluate the various stages of HRD practises and determine the satisfaction level, **Purohit (2012)** evaluated the current policies used in cooperative banks. To gather primary data for the current study, a questionnaire and in-person interviews were both used. 16 banks out of the many in Pune have been chosen for the study. We obtain information from 30 employees representing various ranks. Randomness is used to choose the cooperative banks. The study found that employees benefit from training by having a greater grasp of their jobs, which increases their knowledge base. A driving force behind the operations in the company might be extensive training that offers continual development, such as training programmes, workshops, and on-the-job training.

## CONCLUSION

In a summary, it is believed that the RBI will also be significantly impacted by the changing environment, the pressures of globalisation and liberalisation, and the advancements in ICT. It may seem unlikely at this time, but India's financial system's long-term goal is to evolve from a national to a global level. This industry needs a combination of new technology, improved credit and risk assessment procedures, treasury management, product diversification, internal control, external legislation, and, at the very least, human resources if it is to reach the pinnacles of international brilliance. The markets in which financial products are traded are gradually getting more deregulated, while financial products themselves are growing more sophisticated and varied. Additionally, it has both potential and challenges, especially for these public sector institutions.

We can infer from the study above that during the last few decades, HR practises have changed in the U.P. banking industry. The importance of HR procedures in a firm can be attributed to their strong correlation with workers' productivity. The majority of public sector banks in Uttar Pradesh offer outstanding compensation, training and development opportunities, and other benefits to encourage workers to work harder. As a result, both banks' HRM practises relating to training and development are good, but private sector banks' compensation practises need to be improved so that they are on level with PSB norms. This will help the banks as a whole. In order to obtain more conclusive findings, future study must concentrate on a larger sample size. Additionally, it needs to be focused on recognising individual differences to enable employee-specific activities to enhance the working environment. For the development and success of Indian banks in UP. The strategy of the banking organisations must absolutely be integrated with human resource management.

## SUGGESTIONS

Following suggestions are very essential to adhere for effective Banking in Uttar Pradesh.

The core asset is human resources, so it is important to invest in them as well as make sure that the supporting components are in place so that this asset can consistently give the most value.

A regular evaluation of HRD in relation to business results is required as part of strategic and operational planning. The public sector's hierarchical structure, which prioritises seniority above performance, must be changed if we are to recruit the brightest young talent. Continuous improvements to human resources management techniques are required to raise knowledge levels, hone skills, and also to establish a positive work environment. The banking industry urgently needs to establish working procedures that promote efficiency.

Making the greatest use of their current human resources and competing on the basis of creative HRM practises are two of the biggest obstacles that banks must overcome. Banks should take action to alter employee attitudes toward their jobs and to spur greater enthusiasm in employment. When evaluating an employee's performance, banks should take their personality attributes into consideration. In order to adapt the performance appraisal system to the present circumstances, banks should also take action.

Public sector banks must use advanced innovative performance management approaches in order to boost HR performance. Additionally, in order for the employee to focus more on their performance, security-related issues in India's public sector banks need to be given more attention.

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