

A STUDY ON MODERN MANAGEMENT PRACTICES ON SELECTED BANKS IN TIRUCHIRAPPALLI TOWN

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ABSTRACT

A modern banking operation is including an active strategic planning, in which a clear mission is acknowledged, various policies are formulated, and certain goals are placed in order. The banking sector in various countries has gone through some development. The growing competitive conditions, both inside and outside the industry, have influenced the banks' investment in various assets and acceptance of various forms of liabilities. Risk management, risk analysis, and operations under suspicions would put a bank's survival and/or failure under a critical observation. It provides a practical manual on bank investment under uncertain conditions, in which various kinds of risk are involved. Compensation and Industrial relation are an influential factor to the overall human resource practice in the private banking sector in Trichirappalli.

Keywords: *Modern Banking, Risk Management, and Operations.*

I. Introduction

Business today is frequently looking for ways to achieve a reasonable gain. Margins are lessening, competition is increasing. Banking is a sensible service industry considered to be the heart of any rising country. Banks essentially are social organizations, rendering financial services to sub serve the socio-economic objective of the society. In India Banking sector is complete, well capitalized and controlled. Indian economic settings and financial services are improved than in many other countries in the globe. Studies appearance that Indian banks are resilient and can with stand global recession. Government is striving hard to revitalize the industrial growth in the country and the RBI had initiated a number of measures that would go a long way in helping the banks to restructure. Thus banks struggle hard to mobilize more and more deposits, which form the important source of functioning.

II. Review of Literature

The banking sector, being the barometer of the economy, is reflective of the macro-economic variables. While the Indian economy is yet to catch strength, the Indian banking system continues to deal with improvement in asset quality, execution of prudent risk management practices and capital adequacy.

According to K.P. Padamakumar, Chairman, Federal Bank, Banks are increasingly facing sliding margins and fierce competitions. It is vital to increasing volumes and lessens operational cost. Thus due to hard competition in the banking sector and payable to the entry of private troupes, the quantity of services of the banks are increasing day by day but as far as eminence is concerned, it is endlessly deteriorating. Today the punter is interested in how he / she can benefit from the banks and their products. That is why it becomes needed for a bank to differentiate its products from the others.

Jayadev.M and Roger Moser in their interview had said, the issue of rural retail banking is really topical. Over the past few decades, while borough retail banking has seen a lot of growth, rural areas have sustained to suffer from insufficient contact to financial services. This is mostly due to the prerequisite of asset movements, identity and income proofs among other documents by banks and FIs and lack of enough branches in these areas. The high cost of conventional banking is an additional impediment to the understanding of financial inclusion.

OBJECTIVES OF THE STUDY

1. To know the existing Human Resource Practice in banking companies.
2. To identify various factors influencing Human Resource Practices.
3. To evaluate Human Resource Practice techniques in selected private banks.
4. To analyse and interpretation of the study.
5. To conclude Findings, Suggestions and Conclusion.

RESEARCH METHODOLOGY

The sources of data are two types. One is Primary data and another is secondary data. Primary data is collected through the aid of the tools such as Questionnaire and through the simple interview method from the samples and secondary data are referred from the Journals and previous research thesis and books dealing with relevant areas of the topics.

LIMITATIONS OF THE STUDY

- ❖ The study is limited only to the selected private banks.
- ❖ The study is limited to Trichy town only.

This study aims to fix the management practices of the banking Industry in the Vijaya bank and their level of effectiveness. Specifically, it will seek to responsesthrw following sub-problems

- Investment management - Operation management - Risk Management - Strategy Management

HRM terminologies:

It is an orientation of HRM practices in a different way. Most of the HRM terminologies are also related to HR Practices. Important HRM terminologies are given below:

- **Discipline**

Discipline is a condition in the organization when employees conduct themselves in accordance with the organization's rules and standards of acceptable behavior.

- **Human Capital**

Knowledge skills & abilities of the employees are considered as human assets.

- **Job analysis**

A Job analysis is a systematic exploration of the activities within a job. It is a technical procedure used to define duties, responsibilities and accountabilities of a job. There are two products of a job analysis program. a) Job description & b) Job specification.

- **Job description**

A list of a job's duties, responsibilities, reporting relationships, working conditions and supervisory responsibilities.

- **Job specification:**

A list of a job's "human requirements", that is the requisite education, skills, personality, and so on.

- **Job evaluation**

Job evaluation is the process of using job analysis information in establishing a compensation system.

- **Job enrichment**

Job enrichment is a process of allowing employees to do more planning and controlling of their work.

- **Recruitment**

Recruitment is the process of discovering potential job candidates. Recruiting is the discovering of potential applicants for actual or anticipated organizational vacancies. It involves searching and sourcing for viable job candidates.

- **Selection**

Selection is a process of hiring suitable people for job. Right man for right job is the main goal of selection. The selection process involves many steps such as preliminary reception of application, interviewing, test, medical test, references and final decision of hiring.

- **Orientation**

Orientation is a process of getting new employees acquainted with the organization, its culture, rules and regulation, objectives and supervisors and other employees. It is the act of introducing new employees to organization and their work units. It is important because it helps new employee to adapt with new situation.

- **Training & Development**

Training is a continual process of helping employees to perform at a high level. It is a process of acquiring new skills to do job properly. Training changes and modifies employee attitudes and behaviors that will improve his ability to perform on the job. To be effective, a training program must accomplish a number of objectives

- **Motivation**

Motivation is set of forces that cause people behave in a certain way. On any given day, an employee may choose to work as hard as possible at a job, to work just hard enough to avoid a reprimand or to do as little as possible.

- **Performance appraisal**

Performance appraisal is a formal assessment of how well employees are performing their jobs.

- **Placement**

Placement is the assignment or reassignment of duties to employee. It may take different forms such as promotion, transfer, demotion, and termination.

- **Compensation**

Compensation is the reward or price for labor. The goal of compensation administration are to design the lowest-cost pay structure that will attract, motivate and retain competent employees, and that also will be perceived as fair by these employees.

- **Demotion**

If suspension has not been effective and management wants to strongly avoid dismissing the problem employee, demotion may be an alternative. A demotion is a constant punishment to the demoted employee and hence has broad motivation implications.

- **Suspension**

A period of time off from work as a result of a disciplinary process.

The researcher assumed the theory of banking which states that, banks are usually considered by most people to be functions that allow for the communication of value on a daily source in modern society, it looks to create demoralizing events like credit crunches by the manufacture of credit (Caldararo, 2011).

Modern Management Practices

- ❖ Level of Effectiveness
- ❖ Problems
- ❖ Recommendation to enhance the implementation of management Practices

Analysis and Interpretation

Table. No.1
Level of Effectiveness- Chi Square Test

Particulars	Level of Effectiveness	Inference
Calculated Value	4.211	NS
Table Value at 5% Level	10.488	
Degrees of Freedom	4	

Source: Computed Data

It is clearly understood from the table 1 that the calculated value is less than the table value, hence the null hypothesis is accepted. Therefore, it is observed that it does not influence the Level of effectiveness of the bank.

Table. No.2
Level of Effectiveness- Chi Square Test

Particulars	Level of Effectiveness	Inference
Calculated Value	15.5231	Sig
Table Value at 5% Level	13.691	
Degrees of Freedom	6	

Source: Computed Data

The Table 2 is observed that the calculated Chi square value is greater than the table value at 5 percent level. It implies that the null hypothesis is rejected. Hence it could be inferred that Level of effectiveness of the bank.

CONCLUSION

The modern banking actions would involve active strategic planning, in which a clear task is acknowledged, various strategies are formulated, and certain objectives and goals are placed in direction. Performance appraisal is not the influential factor to the overall human resource practice in the private banking sector in Trichirappalli. Compensation has influenced on overall human resource practice in the private banking sector in Trichirappalli. Industrial relation is an influential factor to the overall human resource practice in the private banking sector in Trichirappalli.

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