

# HUMAN CAPITAL MANAGEMENT IN PRIVATE SECTORS BANKING - IN DINDIGUL DISTRICT

*K. Senthil Kumar, Research Scholar, Department of Commerce, Madurai Kamaraj University, Madurai.*

*Dr. P. Srithar, Associate Professor of Commerce, NMSSVN College, Nagamalai, Madurai – 625 019.*

## Abstract:

This paper examines what are issues and difficulties raised by different researcher and banking administration monitoring professionals and boards in regard of human asset improvement named as "Human Capital Management" in Dindigul District. The data used in the study are primary in natures which have been collected through the issue of structured questionnaire. A sample of 20 private sector banks has been selected through simple random sampling method. Chi-square test and weighed score ranking methods are applied to analyze the data. The study observes that majority of the private sector banks have moderate level of income, occupational and educational qualification are found to have significant association at five per cent level with the human capital management in private sector banks in Dindigul district. The weighted score ranking methods is middle of HCM in Banking was ranked first, entry level of HCM in Banking was ranked second and top level of HCM in Banking was ranked third.

**Keywords:** Human Capital Management– Private Sector Banks

## Introduction:

Now-a-day trade approaches outlook and convey the recruits in requisites of reserve. They are dealt with as most essential resource named as "Human Capital". The face "Human Capital" is in some cases utilized synonymously with "human resources", while human capital repeatedly eludes to an extra secret view i.e. the in turn the personality put in a nutshell and add to fiscal enlargement. The human resource is, of all possessions prearranged to chap, the most advantageous, the bandies and the most practical. Human resources compose the most indispensable and inimitable component in any country. Here are numerous banks where beside guidance, dissimilar workout like manpower development and recital appraisals have been obtainable. Conversely, some diverse banks have made fast walks in the same way as the donation of new HCM exercises and sub-frameworks, for model, regular training, eminence circles and employees meetings are alarmed. Further than presenting these frameworks, the minority banks encompass the same taken critical goings-on in idealizing confident frameworks approximating teaching and presentation assessment. In any case, there is an unrestrained stretch preference in banking industry that there are no sufficient result starting the HCM capacities and structure at the equipped point are going to level of traditions.

## Review of Literature:

Wafa Farrukh, Javaria Qais Joiya (2018), according to this influence of intellectual capital is to improve financial performance and the financial efficiency of the manufacturing firm. Intangible assets is most important than the tangible assets for the success of the business enterprises. Intellectual capital such as skill and knowledge is very essential for the success of the company. Zenona Atkočiūnienė, Greta Praspaliauskytė (2018), shows that an intangible organizational resource such as intellectual capital and knowledge is very important to generate the long-term value for the organizations. Abilities of employee are to create and accumulate the knowledge, share and apply in various activities, develop new thing and maintaining long-term relationships with various stakeholders. Intellectual capital and their knowledge have to processes the influence on an organization's profit and other things. Financial benefits is very important in long-term for the employees satisfaction and its customers. Linet J A Obor (2017), examined that recruitment process is guided by proper policies and it will encourage the employee retention in the long run also it gives good corporate image to the organization. The effective recruitment process is attracts the skilled employee and retain them within the organization. Md. Uzzal Hossain, Ishita Roy (2016), stated that human capital concept will help in advance human capital theory building within the human resource management discipline. Effective utilization of human resource is help to the organization to achieve the

competitive advantage. Organizations are struggling to improve the performance of their employees. Human capital plays an important role in creation and sustaining the competitive advantage. Wehelmina Rumawas (2015), concluded that human resource development, organizational commitment and compensation has influence on the employee performance. Good relationship between the employer and the employee is to achieve its successful goals and it delivers excellent service to their consumers. Organizational Commitment, education and trainings and compensation will improve the employee performance, higher employee compensation is to give higher employee performance. Samah Souleh (2014), stated that human capital management depends on the knowledge also it is an important effect on innovation. Incentives for the researchers motivate their activities for invention and innovation. Training practices, knowledge based investments, intellectual capital and human capital are the asset of the centers, seminars, conferences, coaching and counseling help to the development of researchers. Ya-Hui Ling (2012), stated that intellectual capital enhance firm's global initiatives. Intellectual Capital has a positive influence on a firm's global innovation and the global marketing and it is not contribute to the new product and services development. Learning and sharing of knowledge developed the each part of the global network. Company should invest to developing the human capital, structural capital and relational capital there is interconnections of the above for the identification for the global competitiveness.

### **Statement of the Problem:**

On the basis of the exceeding argument the on the whole research problem formulation requires identifying organizational practices inherent in human capital and the practices in the banking sector in Dindigul district. This leads to the development of the research questions that are addressed in this study. The research question is developed with the purpose of exploring the banking sector's understanding of Human Capital. The question is posed to allow the banking sector to define the term Human Capital which will highlight the differences between theoretical definitions and the banking sector's definition. Hence, the research question for this study is as follows: What does the phrase "human capital" mean to banks?

### **Objectives of the Study:**

In order to seek answers to the question raised above, the following objectives have been framed.

- To discover the issue of influencing Human Capital Management in banking sector in Dindigul district.
- To determine the pressure of Human Capital Management on banking performance.

### **Scope of the Study**

There are very few empirical studies on Human Capital Management in banking sectors and whatever sporadic researcher have been conducted, they tend to be survey researcher dwelling at length, the perceptions of employees and are undertaken mostly by Human Capital Management of banking sectors staff of those companies very few researchers outside the corporate management have attempted to study the Human Capital Management of banking sectors variables. Unlike the previous studies, the present is empirical study and hence, the focus is on the hitherto neglected Human Capital Management variables in the earlier. Human Capital systems of banking sectors and impact a focus on Human Capital Management in banking sectors, by an independent and outside management researcher and hence, devoid of any preconception.

### **Research Methodology:**

The present study is mainly based on primary data which have been collected from the private sector banks' in the Dindigul district through the issue of structured questionnaires. The questionnaire contains questions relating to the personal profile of private sector banks employees in the district. The study consists of 20 private sector banks which have been collected in the district using simple random sampling method. The data gathered from the private sector banks have been analyzed using chi-square test and weighted score ranking methods.

## Limitations of the Study

As with all research, this thesis has its limitations. The qualitative case study method was adopted and focused solely on the human capital management in banking sector. At the time the interviews were conducted, there were a total of 20 banks in Dindigul district. This could be due to the sensitive nature of the research topic and the various banks' transportation strategy. The sample size in Dindigul is therefore small. The small sample size meant that we must be careful not to generalize. In short, the sample may not be representative of all of the banks in their respective countries. In order to contradict these boundaries, the examiner decisive to collect data from derived possessions.

## Results of the Study:

The findings of the study are separated into two wide sections namely; chi-square test and weighted score ranking methods are used in human capital management in private sector banks in Dindigul district.

### a) Chi-Square Test

To examine the association between the select variables and Human Capital Management in Private Sector Banks in Dindigul district, the Chi-square test has been employed.

**Ho:** There exists no association between the select variables and level of human capital management towards private sector banks.

**Table 1:** select variables and human capital management in private sector banks  
– chi-square test

Variables Considered	d.f	Calculated $\chi^2$ Value	Table Value	Remarks
			5%	
Age	12	9.00	21.026	Not Significant
Gender	4	4.06	9.488	Not Significant
Income	9	80.35*	16.919	Significant
Marital Status	6	10.99	12.592	Not Significant
Occupation	16	40.03*	26.296	Significant
Educational Qualification	4	4.775*	5.991	Significant
Type of Family	9	1.321	16.919	Not Significant

\* Significant at five per cent level

Out of the total twelve variables selected for testing, seven variables are found to be associated with the HCM in private sector banks. Of which, income, occupational and educational qualification are found to have significant association at five per cent level with the human capital management in private sector banks in Dindigul district.

### b) Weighed Score Ranking Methods

**Table 2:** human capital management in private sector banks  
- weighted score ranking method

S.NO	FACTORS	TOTAL SCORE	RANK
1.	Entry level of HCM in Banking	201	II

2.	Middle of HCM in Banking	234	<b>I</b>
3.	Top level of HCM in Banking	200	<b>III</b>

**Source: Primary Data**

It is noted from the above table middle of HCM in Banking was ranked first with the score of 234, entry level of HCM in Banking was ranked second with the score of 201, top level of HCM in Banking was ranked third with the score of 200.

## Conclusion

This paper examine what are issues and difficulties raised by different researcher and banking administration monitoring professionals and boards in regard of human asset improvement named as "Human Capital Management" in Dindigul District. From the study, it is found from the research that in the private sector banks human capital management is considered as one of the able to give maximum benefit to their customer in the form of best service quality and satisfaction. The carrier development, training and development are interrelated in private sector banks to manage the human capital. The promotional policies are also considered as one of the important factor to improve the performance of the private sector banks. Most of the banks are setting up separate HRD Departments to match the standards in external environment. In many banks along with training, other activities like manpower planning and performance appraisal have also been introduced. This shows a positive approach and initiative towards "Human Capital Management" in banking sector.

## References:

1. WafaFarrukh, JavariaQaisJoiya (2018), Impact of Intellectual Capital on Firm Performance, International Journal of Management and Economics Invention, Volume: 04 Issue: 10, PP: 1943-1952.
2. ZenonaAtkočiūnienė, Greta Praspaliauskytė (2018) The influence of intellectual capital and knowledge management on Organizational performance in Lithuanian software companies, EKONOMIKA, Vol. 97(2), PP: 106-120.
3. Linet J A Obor (2017)Effect of human resource development on Organizational performance in the Public sector: Case study of Ministry of sports, Culture & Arts, University of Africa, PP: 1-48.
4. Md. UzzalHossain, Ishita Roy (2016) Human capital management: The new competitive approach, International journal of Economics, Commerce and Management, Vol.IV, Issue. 5, PP:1020-1034.
5. WehelminaRumawas (2015) The Impacts of Human Resource Development, Organizational Commitment, and Compensation on Employee Performance (A study conducted at Sulut Bank in North Sulawesi), International Journal of Humanities and Social Science Invention, Volume 4 Issue 8, PP:.24-30.
6. SamahSouleh (2014) The impact of Human Capital Management on the Innovativeness of research Center: The Case of Scientific Research Centers in Algeria, International Journal of Business and Management Vol. II (4), PP:80-96.
7. Ya-Hui Ling (2012) A Study on the Influence of Intellectual Capital and Intellectual Capital Complementarity on Global Initiatives, The Electronic Journal of Knowledge Management Volume 10 Issue 2, PP: 154-163.