HUMAN RESOURCE PRACTICES IN PUBLIC AND PRIVATE SECTOR BANK

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Abstract

Human Resource is considered to be very crucial in the organization's well-being. Presently organizations have started realizing that Human Resources are the most important of all assets based on the emerging values of humanization. The success of any organization in long term depends on the human resource. Human Resource Development in a growing economy like India is the need of the time and undoubtedly, banking sector is the most effective instrument for India's economic development, for which developing Human Resources for this sector has become essential to achieve the national objectives.

So, the quality of banking services and the objectives in achieving the socio-economic goals are highly dependent on the employees who deliver the services. There are many ways to develop human resources. From the last many years banks are doing experiment with all mechanism of HRD. These include training and development, performance appraisal, career planning, team spirit and reward etc.

The study on "Human resource Practices in Public and Private Sector Bank" is centered on the public and private Bank. The researcher studies the impact of Human resource in Public and Private commercial banks. The study has assessed the current state of Human resource in Commercial Banks. This study focuses on HRD practices in Indian commercial bank and find out the attitude of experience wise group and age wise group toward different factors. To conduct this study we have taken different factors of HR practices. Two Banks was chosen from both sector and managerial staff was taken as respondent. The study based on primary and secondary research. The researcher found that both banks are using different human resource practices at almost same level and employees of different age and experience group are satisfied at same level.

Keywords: Human resource development, Public Bank, Private Bank

Introduction

The Human Resources (HR) function provides significant support and advice to line management. The attraction, preservation and development of high caliber people are a source of competitive advantage for our business, and are the responsibility of HR. We have studied wide range of Functions and activities of HRD which improve the environment of the organization.

With the proper implementation of HRD system we can analyze and develop the role of individual. There are key components of HRD which act as wheel of the system. These are recruitment, training and development, performance appraisal, career planning etc. Employers and workers are conscious of the importance of human resources development.
The Indian banking system has come a long way with several outstanding achievements to its credit. The most striking of which is its reach. An extensive banking network has been established after nationalization, and the banking system is no longer continued to the metropolitan cities and large towns. In terms of the number of branches, India's banking system is one of the largest in the world.

Banking Sectors In India

Public Sector Banks-The public sector is the one whose working is in the hands of the government. the government holds a majority stake in public sector industries. Their activities are mostly influenced by the government.

Private Banks- are banks that are not incorporated. A private bank is owned by either an individual or a general partner(s) with limited partner(s).

Foreign Sector Banks- Foreign sector banks are those banks which have their head office in other countries outside India and branch is working in India.

Co-Operative Sector - The co-operative sector is very much useful for rural people.
RRBS- A rural bank is a financial institution that helps rationalize the developing regions or developing country to finance their needs specially the projects regarding agricultural progress.

Significance of Human Resource Development In Bank

The success of today's Banking business will sparsely depend on the human resources of the organization at all levels. Organization should have its processes that it empowers and exploits the skills and attitudes of employees in this changing environment. HRD acquires more importance in service organization like Banks where Human Resource plays a crucial role. The creative abilities, capabilities and knowledge of Human Resource are significant of service organization, where the very nature of functioning needs all these qualities of employees.

The aspect of HRD also assumes importance in present day conditions in Banks where there is severe competition among them also as the spectrum of functions of these organizations are widening. The Banks in particular are entering into various innovative areas of services of their customers. This enlargement of jobs needs enhancement of capabilities and potentialities of employees. Improved performance of Bank through enhanced capabilities of its employees leads to the improved social image of the Bank. This in turn satisfies social needs of employees. So, employees are to be given a chance to develop their capabilities like skills and knowledge through various means like career planning and growth, training, works itself etc. Enhance of capabilities leads to better performance of the job.

Human resource development in the Banking industry is a process by which the employees of the Bank are .helped in a continuous planned way to acquire or sharpen capabilities enquired to perform various functions associated with their present or expected future roles; develop their general capabilities and discover and exploit their own inner potentials for organizational development purposes; and develop the culture in which supervisor-subordinate relationships, team work and collaboration among sub-units are strong and contribute to the professional well being, motivation, and pride of employees.HRD is important because it refers to all those educational, training and developmental activities conducted by a business organization to improve human performance. It is a broad term, which includes all activities designed to get employees to work more effectively within a given organization.

Methodology

In order to achieve the objective, both primary and secondary sources of information are relied upon. The primary data was collected through structured questionnaires apart from discussions and interviews with employees, managers of the Bank, union representatives and staff colleagues.

Objectives

1. To study the attitude of age wise group of Public sector Bank toward different human resource factor.
2. To study the attitude of experience wise group of Public sector Bank toward different human resource factor.
3. To study the attitude of age wise group of Private sector Bank toward different human resource factor.
4. To study the attitude of experience wise group of Private sector Bank toward different human resource factor.
5. To study the difference of means for different factors between Private and Public sector Banks.

Hypothesis

1. There is no significant difference in Private and Public Banks regarding their view for recruitment policy.
2. There is no significant difference in Private and Public Banks regarding their view for Training and development.
3. There is no significant difference in Private and Public Banks regarding their view for Performance appraisal and transfer.
4. There is no significant difference in Private and Public Banks regarding their view for organization policy and culture.
5. There is no significant difference in Private and Public Banks regarding their view for career planning.
6. There is no significant difference in Private and Public Banks regarding their view for employee participation.

Research Design

For the present study factorial design is used. Examine the impact of employees of public and private sector Bank on different factor. Also analyses of age wise and experience wise impact on factors.

The sample of 130 was collected from managerial staff of the Bank. The sample collected from Public and Private sector Bank.

Tools and Measures

A questionnaire was designed for the managerial level. The questionnaire covered the following factors:

- Recruitment
- Training and development
- Performance appraisal
- Organization policy and culture
- Career planning
- Employee participation

Data Analysis and Interpretation

The aim of the present study is to find out satisfied and dissatisfied level of employee toward HRD practices in Indian Commercial Bank. The study evaluates the age wise and experience wise attitude toward HRD practices of Both Bank. The results after statistical analysis tabled below:-

Distribution Of Respondents

Table 1.1

Bank	N	%
Private	90	69.23
Public	40	30.77
Total	**130**	**100.00**

Distribution of Respondents According To Age Group

Table 1.2

Age Group	Private		Public	
	N	%	N	%
20-35 yrs.	13	14.44	4	10.00
35-45 yrs.	16	17.78	17	42.50
> 45 yrs.	61	67.78	19	47.50
Total	**90**	**100.00**	**40**	**100.00**

Distribution of Respondents According To Experience

Table 1.3

Experience	Private		Public	
	N	%	N	%
<=10 yrs.	7	7.78	2	5.00
11 - 20 yrs.	12	13.33	15	37.50
21 - 30 yrs.	55	61.11	19	47.50
31 - 40 yrs.	16	17.78	4	10.00
Total	**90**	**100.00**	**40**	**100.00**

The above table shows that total number of respondent were 130. These respondents are from the public and private commercial Bank. The maximum respondents were above 45 years and having 21-30 years experience.

Test For Difference Of Means For Different Factors Between Private And Public Sector Banks

Table-2.1

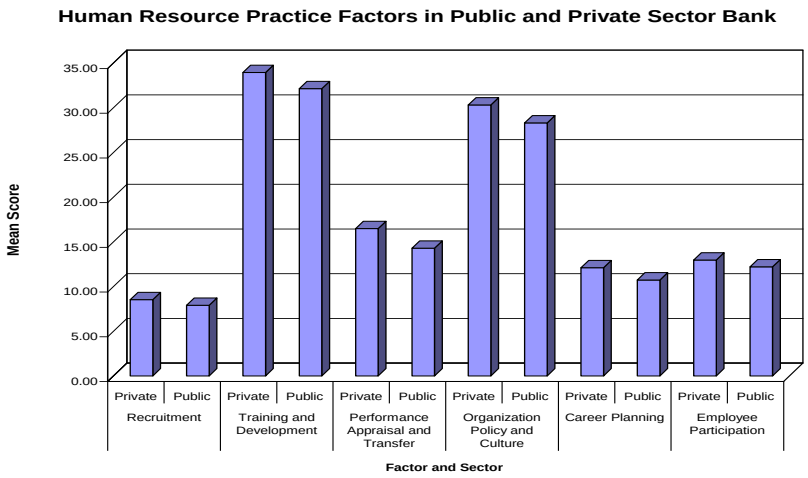
Factor	Bank	N	Mean	SD	Z	Result
Recruitment	Private	90	8.53	1.76	1.75	NS
	Public	40	7.90	1.97		
Training and Development	Private	90	33.93	6.18	1.63	NS
	Public	40	32.13	5.68		
Performance Appraisal and Transfer	Private	90	16.47	2.83	3.27	**
	Public	40	14.28	3.80		
Organization Policy and Culture	Private	90	30.30	4.97	1.83	NS
	Public	40	28.30	6.08		
Career Planning	Private	90	12.10	2.80	2.86	**
	Public	40	10.73	2.40		
Employee Participation	Private	90	12.96	2.08	1.99	*
	Public	40	12.20	1.96		

To test for difference of mean for different factors between private and public sector Banks Z-test was applied. The test results are shown in the table given above. The test results shows non-significant difference ($p < 0.05$) regarding recruitment, training & development and organization policy & culture, between opinion of respondents of employees of private and public sectors Banks.

The significant difference was found for performance appraisal & transfer ($p < 0.01$), career planning ($p < 0.01$) and employee participation ($p < 0.05$) in opinion of employees of private and public sector banks. If mean values of scores are observed it can be clearly seen that for all the three factors mean values are higher for private sector bank as compared to public sector bank, which shows that respondents of private sector banks have rated high for these factors of human resource practices as compared to public sector banks.

Both banks have planned career planning Appraisal system. In private sector bank employee can progress based on his/her performance but in public sector he/she can get promotion as per policy. Some flexibility is there in transfer system. Meeting held frequently in which they invite staff suggestion so staff are more satisfied.

Figure1



Test For Difference Of Means For Different Factors Between Different Age Groups

Table-2.2

Factor/Group	Age Group	N	Mean	SD	F	Result
Recruitment	20-35 yrs.	17	8.824	1.510	1.105	NS
	35-45 yrs.	33	8.515	1.805		
	> 45 yrs.	80	8.163	1.919		
Training and Development	20-35 yrs.	17	35.765	6.057	2.017	NS
	35-45 yrs.	33	33.879	5.482		

	> 45 yrs.	80	32.663	6.213		
Performance Appraisal and Transfer	20-35 yrs.	17	16.471	4.346	0.444	NS
	35-45 yrs.	33	15.818	3.803		
	> 45 yrs.	80	15.638	2.825		
Organization Policy and Culture	20-35 yrs.	17	**34.471**	6.115	9.755	***
	35-45 yrs.	33	27.909	5.870		
	> 45 yrs.	80	29.400	4.434		
Career Planning	20-35 yrs.	17	**13.118**	2.205	3.862	*
	35-45 yrs.	33	12.030	2.640		
	> 45 yrs.	80	11.225	2.792		
Employee Participation	20-35 yrs.	17	**13.588**	1.622	3.348	*
	35-45 yrs.	33	13.121	1.728		
	> 45 yrs.	80	12.375	2.213		

To test whether employees of different age group (over all = public + private sector Banks) have different opinion regarding different human resource practice factors one way ANOVA was applied. The test results are given in the table above.

Test results shows that non-significant difference was found between employees of different age groups regarding recruitment, training & development and performance appraisal & transfer, whereas significant difference was found for Organization policy & culture ($p < 0.001$), career planning ($p<0.05$) and employee participation ($p < 0.05$). For all those factor of human resource factors, where significant difference was found between different age groups the employees of younger age group (20-35 yrs.) have rated higher for these factors as compared to other two age group (35-45 yrs and > 45 yrs.).

Private Sector Bank

Test For Difference Of Means For Different Factors Between Different Age Groups Of Private Bank

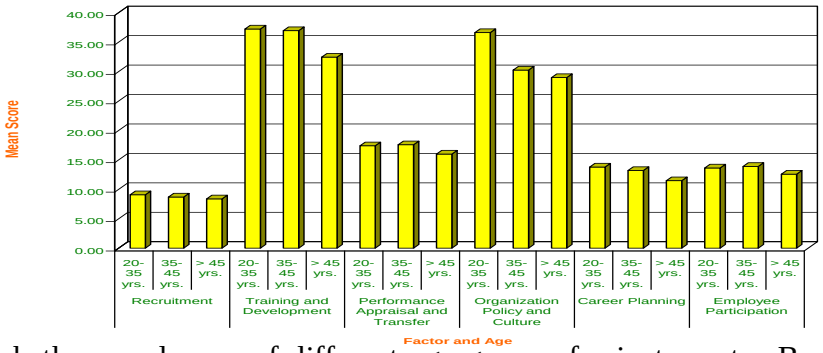
Table-3.1

Factor/Group	Age Group	N	Mean	SD	F	Result
Recruitment	20-35 yrs.	13	9.077	1.188	0.918	NS
	35-45 yrs.	16	8.688	1.195		
	> 45 yrs.	61	8.377	1.968		
Training and Development	20-35 yrs.	13	**37.231**	3.468	6.158	**
	35-45 yrs.	16	36.938	2.323		

	> 45 yrs.	61	32.443	6.771		
Performance Appraisal and Transfer	20-35 yrs.	13	17.385	2.694	2.900	NS
	35-45 yrs.	16	17.563	1.750		
	> 45 yrs.	61	15.984	2.980		
Organization Policy and Culture	20-35 yrs.	13	**36.615**	4.682	17.325	***
	35-45 yrs.	16	30.250	3.890		
	> 45 yrs.	61	28.967	4.250		
Career Planning	20-35 yrs.	13	**13.769**	1.235	5.665	**
	35-45 yrs.	16	13.188	1.940		
	> 45 yrs.	61	11.459	3.003		
Employee Participation	20-35 yrs.	13	**13.615**	1.660	3.414	*
	35-45 yrs.	16	13.875	0.885		
	> 45 yrs.	61	12.574	2.284		

Figure-2

Human resource practice factors in different age groups of private sector



To test whether employees of different age group of private sector Bank have different opinion regarding different human resource practice factors one way ANOVA was applied. The test results are given in the table above.

Test results shows that non-significant difference was found between employees of different age groups regarding recruitment and performance appraisal & transfer, whereas significant difference was found for Training & Development ($p < 0.01$), Organization policy & culture ($p < 0.001$), career planning ($p<0.01$) and employee participation ($p < 0.05$). For all those factor of human resource factors, where significant difference was found between different age groups the employees of younger age group (20-35 yrs.) have rated higher for training & development, organization policy & culture and career planning whereas in case of employee participation,

employees of middle age group (35-45 yrs) have rated higher for this factors as compared to other two age group.

In Private, they have staff training colleges and they also send their employees in other institutes to attend Management Development programmes. They have also facilities of libraries & video conferencing. The researcher found that younger employees want to up data themselves and they want to attend more & more training programmes. This Bank gives this benefit to their younger employees & it increases the satisfaction level. They also find that in this way the culture and environment because learning and facilitate the employee development. In the case of career planning, the Bank sustains the younger employee in the organization and they have proper and clear career planning. It increases the satisfaction level. When employee has got the benefits with respect to Bank then they feel good. This is the reason that middle age group is quite satisfied as compare to other group. The private Bank also invites the employee of middle age group in meeting. So they are more satisfied.

Test for Difference of Means for Different Factors Between Different Experience Groups of Private Bank
Table-3.2

Factor/Group	Expr. Group	N	Mean	SD	F	Result
Recruitment	<=10 yrs.	7	**8.857**	1.345	0.122	NS
	11 - 20 yrs.	12	8.667	1.875		
	21 - 30 yrs.	55	8.473	1.773		
	31 - 40 yrs.	16	8.500	1.932		
Training and Development	<=10 yrs.	7	36.000	4.082	3.709	*
	11 - 20 yrs.	12	**36.333**	4.579		
	21 - 30 yrs.	55	34.364	4.889		
	31 - 40 yrs.	16	29.750	9.616		
Performance Appraisal and Transfer	<=10 yrs.	7	15.143	1.345	2.908	*
	11 - 20 yrs.	12	**18.333**	2.535		
	21 - 30 yrs.	55	16.473	2.821		
	31 - 40 yrs.	16	15.625	2.986		
Organization Policy and Culture	<=10 yrs.	7	**36.286**	5.057	10.249	***
	11 - 20 yrs.	12	33.667	6.946		
	21 - 30 yrs.	55	28.509	3.179		
	31 - 40 yrs.	16	31.313	5.108		
Career Planning	<=10 yrs.	7	**12.714**	0.488	1.053	NS

	11 - 20 yrs.	12	12.333	4.119		
	21 - 30 yrs.	55	12.291	2.477		
	31 - 40 yrs.	16	11.000	3.183		
Employee Participation	<=10 yrs.	7	**13.571**	1.397	1.363	NS
	11 - 20 yrs.	12	12.667	3.055		
	21 - 30 yrs.	55	13.182	1.847		
	31 - 40 yrs.	16	12.125	2.156		

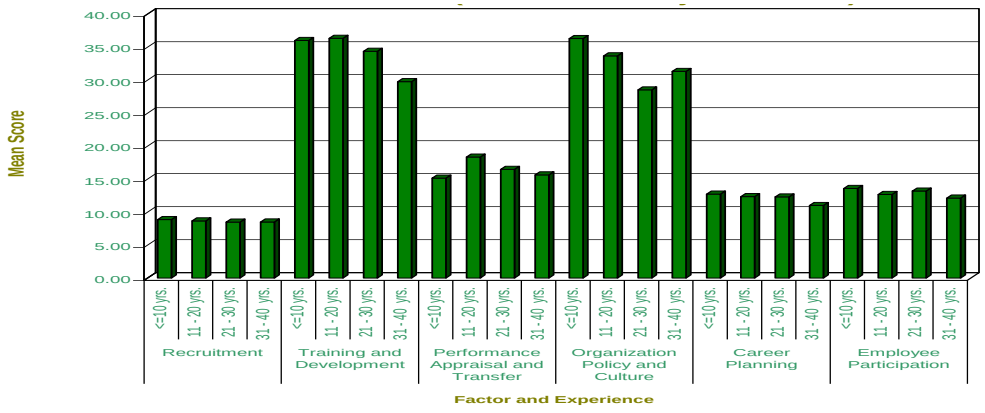
To test whether employees of different experience group of private sector Bank have different opinion regarding different human resource practice factors one way ANOVA was applied. The test results are given in the table above.

Test results shows that non-significant difference was found between employees of different age groups regarding recruitment, career planning and , employee participation whereas significant difference was found for Training & Development ($p < 0.05$), Organization policy & culture ($p < 0.001$),and performance appraisal & transfer career planning ($p<0.05$. For all those factor of human resource factors, where significant difference was found between different experience groups, the employees of experience group (11-20 yrs.) have rated higher for training & development, performance appraisal & organization policy and culture.

It means due to the policy, changed by Bank, gives more benefit to the employee having less experience as compare to the employees having more experience. The rising competition among private and public sector Bank, the Bank has been updating their policies which give profit to the young employees.

Figure-3

Human Resource Practice Factors in Different Experience Groups of Private Bank



Public Sector Bank

Test for Difference Of Means For Different Factors Between Different Age Groups Of Public Bank

Table-4.1

Factor/Group	Age Group	N	Mean	SD	F	Result
Recruitment	20-35 yrs.	4	8.000	2.309	0.893	NS
	35-45 yrs.	17	**8.353**	2.262		
	> 45 yrs.	19	7.474	1.611		
Training and Development	20-35 yrs.	4	31.000	10.392	0.862	NS
	35-45 yrs.	17	31.000	6.072		
	> 45 yrs.	19	**33.368**	3.989		
Performance Appraisal and Transfer	20-35 yrs.	4	13.500	7.506	0.125	NS
	35-45 yrs.	17	14.176	4.489		
	> 45 yrs.	19	**14.526**	1.926		
Organization Policy and Culture	20-35 yrs.	4	27.500	5.196	3.595	*
	35-45 yrs.	17	25.706	6.640		
	> 45 yrs.	19	**30.789**	4.837		
Career Planning	20-35 yrs.	4	**11.000**	3.464	0.192	NS
	35-45 yrs.	17	10.941	2.794		
	> 45 yrs.	19	10.474	1.837		
Employee Participation	20-35 yrs.	4	**13.500**	1.732	1.546	NS
	35-45 yrs.	17	12.412	2.033		
	> 45 yrs.	19	11.737	1.881		

To test whether employees of different age group of Public sector Bank have different opinion regarding different human resource practice factors one way ANOVA was applied. The test results are given in the table above.

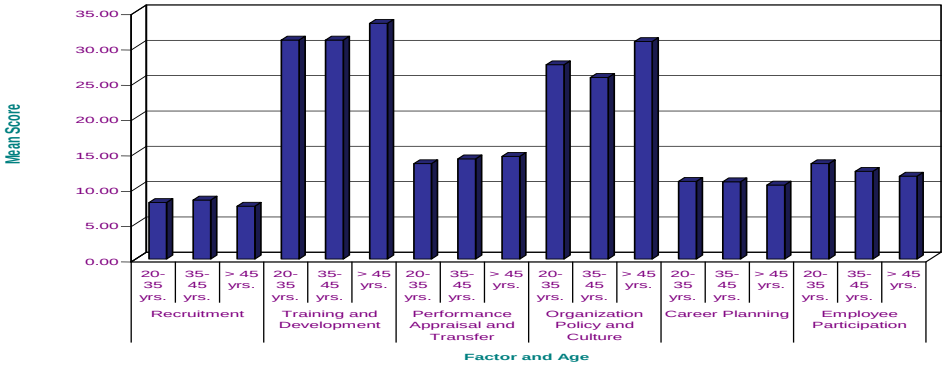
Test results shows that non-significant difference was found between employees of different age groups regarding recruitment , Training and development, performance appraisal & transfer, career planning and Employee participation whereas significant difference was found only for Organization policy & culture ($p < 0.001$). For this factor of Human resource, where significant difference was found between different age groups the employees of younger age group (20-35 yrs.) have rated higher for organization policy & culture as compared to other two age group.

In public sector Bank, the results show that different age group has similar opinion toward factor. The factor organization policy & culture has significant difference which shows that the younger

age group (20-25 yrs) rated higher as compare to other groups. Policies have been changing and they give equal benefit to younger employee. So they are more satisfied.

Figure-4

Human resource practice factors in different age groups of public sector



Test For Difference Of Means For Different Factors Between Different Experience Groups Of Public Bank

Table-4.2

Factor/Group	Expr. Group	N	Mean	SD	F	Result
Recruitment	<=10 yrs.	2	6.000	0.000	1.719	NS
	11 - 20 yrs.	15	**8.400**	2.414		
	21 - 30 yrs.	19	8.000	1.528		
	31 - 40 yrs.	4	6.500	1.732		
Training and Development	<=10 yrs.	2	22.000	0.000	2.504	NS
	11 - 20 yrs.	15	**32.867**	5.643		
	21 - 30 yrs.	19	32.526	5.700		
	31 - 40 yrs.	4	32.500	1.732		
Performance Appraisal and Transfer	<=10 yrs.	2	7.000	0.000	3.077	*
	11 - 20 yrs.	15	14.333	4.835		
	21 - 30 yrs.	19	**14.947**	2.483		
	31 - 40 yrs.	4	14.500	1.732		
Organization Policy and Culture	<=10 yrs.	2	23.000	0.000	3.153	*
	11 - 20 yrs.	15	25.667	4.791		

	21 - 30 yrs.	19	29.947	6.687		
	31 - 40 yrs.	4	**33.000**	2.309		
Career Planning	<=10 yrs.	2	8.000	0.000	1.493	NS
	11 - 20 yrs.	15	**11.200**	2.678		
	21 - 30 yrs.	19	10.895	2.233		
	31 - 40 yrs.	4	9.500	1.732		
Employee Participation	<=10 yrs.	2	12.000	0.000	0.581	NS
	11 - 20 yrs.	15	**12.733**	1.944		
	21 - 30 yrs.	19	11.842	2.192		
	31 - 40 yrs.	4	12.000	1.155		

To test whether employees of different experience group of Public sector Bank have different opinion regarding different human resource practice factors one way ANOVA was applied. The test results are given in the table above.

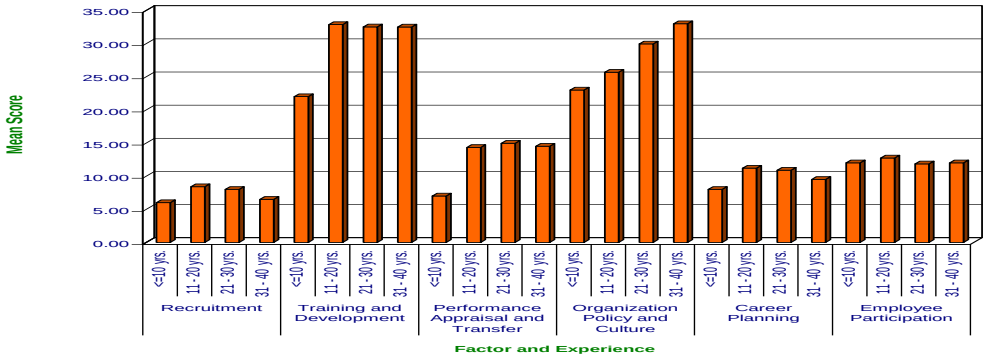
Test results shows that non-significant difference was found between employees of different experience groups regarding recruitment, career planning, training & development and employee participation whereas significant difference was found for Organization policy & culture ($p < 0.05$)and performance appraisal & transfer career planning ($p<0.05$). For all those factor of human resource factors, where significant difference was found between different experience groups, the employees of experience group (20-30 yrs.) & (31-40yrs) have rated higher for performance appraisal & organization policy and culture.

It means due to the policy changed by Bank, the middle experience group get more benefit as compare to the employees having more or less experience. The rising competition among private and public sector Bank, the Bank has been updating their policies which give profit to the employees. The middle experience groups have enough time for career growth and on the other they have clear understanding of policy.

Similarly in the opinion toward organization policy and culture, as the employee gain the experience in similar organization and organization also update & change the policy toward employees then employees satisfied. This is the reason that the employees having (31-40 years) experience rated higher to organization policy.

Figure: 5

Human resource practice factors in different experience groups of public sector bank



Suggestion

Indian commercial Banks have been using human resource practices to gain competitive advantage. Both Commercial Banks have planned career planning Appraisal system. In private sector, Bank employee can progress as his/her performance but in public sector he/she can get promotion as per policy. Some flexibility is there in transfer system. Meeting held frequently in which they invite staff suggestion so staff are more satisfied.

It is suggested that the Bank may introducing "open appraisal system" wherein the marks awarded to the reviewer is disclosed. In many organizations open appraisal systems are working. There may be open discussion between manager & employee of that employee would know weak areas of performance and them to develop and perform well.

It is suggested that institutional training should provide effective skills to employee. Employees should be motivated to utilize the material and libraries so that competency gap would be reduced.

It is suggested that apart from that leaving can be sued. It involves use of computer, and information technology like video conferencing, internet etc. So leaving methodology becomes effective tool of leaving.

Mostly promotions are given in accordance with the performance of the job. It is suggested that employee potential should be evaluated based on objective assessment but not on favoritism. Transparency in evaluation and promotion policy also suggested.

Transfers in both Banks are according to the policy of Bank. They have fixed time private of employees in one branch after that they are transferred to different branch as per needs of the Bank. The employee of both Bank have same perception toward transfer system. They want more improvement in the system. It is suggested that there should be fair transfer policy. They introduce transfer as a leaving tool. Some additional benefits can be given to the employees along with transfer who act as motivational factor.Some of the activities which should be happen in the Bank are-:

I Staff Meetings

II Brain Storming Sessions

III Study Circle

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