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A REVIEW ON HRM PRACTICES IN PUBLIC AND PRIVATE SECTOR BANKS OF HARYANA

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ABSTRACT

Aim: The purpose of this study is to define HRM practices and the banking sector of Haryana. In light of the banking sector of Haryana, this study seeks to understand the concept of HRM practices in Public and Private Sector Banks of Haryana. This research aims to provide deep insight into this topic and highlight the key areas for future research by finding out the gap in this industry and offering some recommendations.

Research Methodology: Researchers employed the review approach for this investigation. This study is descriptive and completely based on secondary data collected through different articles on renowned databases like Scopus, Emerald, Google Scholar, etc. The review procedure seeks to improve already published works.

Findings: It was discovered that the HRM practices of private sector banks are slightly better than the Public sector banks. As in Public sector banks employees are less committed towards their job and hence less engaged but employees enjoy the freedom to work in public sector banks so they are not so much engaged towards their work.

Practical Implications: The impact of HRM practices on employee engagement is positive in the banking sector as the more the commitment level of the employees, the more the engagement and hence satisfaction level of the employees also get increased. If an employee is more enthusiastic and motivated, then they can easily achieve the set targets. This is very useful for the managers or executives and for society as well as this can create a positive environment and employees can easily maintain the balance between personal and professional life.

Keywords: HRM Practices, Banking Sector, Satisfaction, Commitment, Organization

1. INTRODUCTION TO HRM

The workforce of an organization is made up of its human resources. Because it is thought of as the soul of any firm, the human aspect in today's business environment must be taken care of by Human Resources (HR). It is occasionally used interchangeably with human capital. It refers to the people, staff, or workforce that makes up an organisation and is in charge of carrying out the activities assigned to them with the intention of achieving the aims and objectives of the latter. One of the most crucial resources in organisations is their human capital. In a market where businesses compete fiercely, human resources may provide an organisation a competitive advantage. Through the use of policies and practices that focus on hiring, selecting, training, and directing skilled employees to cooperate within the organization's resource pool, HR practices have the power to create businesses that are more intelligent, adaptable, and competent than their competitors. The function of human resources is crucial in the service industry. The primary contributor to and participant in the nation's economic activities are banking services.

This component significantly contributes to the provision of the information that is required everywhere. Any institution or organization's performance is gauged by how much of a contribution persons make. The top managers are better aware of the function of human resources, which enables them to easily accomplish organizational goals and enhance performance. Because workers are now referred to as the organization's assets, businesses take care of them by setting up a distinct department that focuses more on them. The businesses keep their workforces in a way that makes it simple for them to outperform their rivals. Human resources have a direct role in helping to achieve the strategic goals. The degree of employee involvement in the company is significantly impacted by the flexibility of human nature. In this way, management must place a very sharp focus on keeping the top employees on board and motivated to work for the company in order to draw more talented workers.

2. HRM PRACTICES

To obtain a competitive edge and address the numerous issues encountered by firms in the global market, many organizations nowadays concentrate on a number of HRM practices. These forms of human resource management assist firms in improving their talent, knowledge, dedication, creativity, and results. Cania (2014) asserts that HRM

practices have a very special function in achieving organizational goals. In order to meet the demands of the company, a combination of policies, procedures, and programs collectively referred to as human resource management (HRM) must be in place.

Flippo (1980) said that Human Resource Management is basically the Planning, Organizing, Directing, Controlling, Procurement, Compensation, Integration, and Maintenance of human resources to the end that individual, organizational, and societal objectives are accomplished. These practices are applied to business as well as to non-business organizations like education, health care facility, etc.

“The only way to do great work is to love what you do”- Steve Jobs

The actions intended to provide, inspire, and organize an organization's human resources are the subject of human resource management. Since they are seen as the organization's assets, a company's human resources are thought to be its biggest investment.

2.1 The HRM practices are:

Recruitment and Selection: The process of presenting potential employees to open jobs in any firm is known as recruitment. There are many people that apply for open positions since there is a lot of opportunity to find the right applicant. It serves as a connecting element between workers and the organization. According to Hill and Flippo (1980), recruitment is intended to find potential workers, motivate them to apply for jobs, and urge individuals looking for any sort of employment to do so. To choose is to pick or decide on the best applicant for the position. It is a bad method since it also rejects the candidate. The process of selection is split into two groups: those who are offered work and those who are not (Yoder, 2004).

Training and Development: Training is the process of enhancing people's knowledge and skills towards a specific goal. The trainees pick up a variety of talents, including technical and problem-solving abilities. As a result, staff will be more aware of the policies, processes, and techniques that should be followed. Employees' performance in their existing roles may be enhanced, and they may also be better equipped to accept suitable opportunities in the near future. Training is the systematic development of the information, abilities, and attitudes needed by any person to carry out any work or employment (Armstrong, 1980). Growth, progress, good change, or any physical, economic, and demographic components are all products of development.

Reward and Compensation Management System: Money earned via good work performance and other benefits offered to employees by companies are both considered forms of compensation. It comprises of compensation, including pay, wages, salaries, bonuses, and variable payments. As it represents the process of administering a corporate compensation plan, designing an efficient payment system aids in luring, keeping, and motivating a competent and qualified workforce (Robbins, 1997).

Performance Appraisal: It is a method of assessing how well individuals perform, behave, and advance at work in order to comprehend their potential for personal and professional development. It gives extremely important and pertinent information for personnel decisions including wage increases, promotions, demotions, transfers, and termination. It also covers both quantitative and qualitative metrics. It is the systematic and regular documentation of an employee's excellence in their current position as well as an improvement in their chances of obtaining a higher one (Flippo, 2002).

Industry Profile

The banking industry is the main subject of this study. There is no exception to the rule that banks play a significant role in the Indian economy. Since the top banks in the world are the primary players in the Indian Financial System, it is crucial for every Indian bank to guarantee that its practices are in line with this sector's rapid globalization and growth. In comparison to established economies, banks today face a particularly difficult position in developing economies. A robust and efficient banking system is the foundation of all economic activity. Banks serve a crucial function in mediating between monies that are available and those that are needed. The manufacturer can expand output by using the loan facility provided by the banks. The protection of money and priceless valuables, as well as investment opportunities and insurance, are just a few of the services that banks offer. To make the process of activity creation, distribution, and exchange easier, banks might build borrowing and lending facilities. The function that banks play in economic progress is crucial. As they can readily mobilize people's savings for investment purposes, banks are able to make the most use of available resources. The majority of people remain idle if there is no banking infrastructure. Therefore, banking is crucial for businesses, agriculture, and the growth of the economy. A bank is a firm that can easily conduct its core operations, take deposits of cash, and process withdrawals by checks or draughts. According to the 1949 Banking Companies Regulation Act of India, banking is defined as taking, lending, or investing deposits of money from the general public that are repayable on demand and can be withdrawn as needed. In order to mobilize resources for the nation through effectively and efficiently utilizing human resources, banks' primary tasks nowadays include encouraging saving as well as the development and dissemination of sound financial practices. If

staff is disengaged from their work or fail to finish tasks on time, private and public sector banks that offer customer-related services will put the bank in a difficult position. This study examines the effects of employee involvement in the banking industry before comparing employees' performance across public and private sector institutions. The banks in this research are from the public and private sectors.

Public Sector Banks: These banks have the bulk of their shares held by the Government agencies such as the Reserve Bank of India.

Private Sector Banks: In this private corporations or people own the bulk of the bank's shares.

3. LITERATURE REVIEW

During the course of research conducted all over the world several factors have been found to affect the levels of engagement of an employee in an organisation. A few of them are discussed in the following work.

Author and Year	Topic	Contribution
Anukampa and Ranga (2021)	Impact Of Employee Engagement Factors On Job Satisfaction In Employees Working In Five-Star Hotels In Haryana	This paper investigated the factors of employee engagement and its impact on job satisfaction in a five-star hotel in Haryana. The factors found from the literature are rewards and recognition factors, opportunity factors, organizational support, colleagues support factor, flexibility at work factor of employee engagement, and work environment. In this current study, the researcher collected the primary data with the help of a self-administered & standard questionnaire. The technique used was simple random sampling. The test applied in this study was regression and Pearson correlation. The researcher found from this study that more enthusiasm means more results and can easily achieve the targets.
Shukla et.al. (2015)	Employee Engagement - Role of Demographic Variables and personality factors	This study was conducted on an Indian web-based B2C e-commerce company in the NCR region. In this primary data was collected by Questionnaire in which independent variables were measured by big five inventory ques. And dependent variable was measured by Utrecht Work Engagement Scale). This study used a survey method and apply tests like t-test, ANOVA, and multiple regression. The findings of this study were that females are more engaged than males, and married and senior employees are more engaged.
Anukampa and Ranga (2022)	Factors Affecting Employee Engagement in Employees Working in Five-star Hotels in Haryana	This paper highlighted the factors that affect employee engagement. The study was conducted on the employees working in a five-star hotel in Haryana. The actors found from previous literature were "Reward and recognition", "Growth opportunity", "Organisational Support", "Colleagues Support", "Flexibility at Work" and "Work Environment". In this paper, primary data was collected using a questionnaire and survey method. The technique used was simple random sampling. The test applied to it was EFA, CFA, KMO, and Bartlett's test.
Singh (2019)	Review of Literature on HR Practices in Indian Banking Sector	In this paper, the researcher found that the HR practices of private sector banks are slightly better than public sector banks, cooperative banks, foreign-owned banks, and regional rural banks

Mercy and Chaudhary (2019)	Assessing the Demographic Association with Employee Engagement of Academicians in Private Institutes in Delhi/NCR	This paper assessed the relationship between demographic variables and Employee Engagement of the academicians in private institutes in Delhi/ NCR. This paper focused on improving the engagement and satisfaction of academicians. This study made a questionnaire and took a sample size of 450. The researcher used descriptive, cross-sectional, and non-probability purposive sampling techniques and apply ANOVA (post hoc test). They found that gender does not have any impact on all the sub-components (vigor, dedication, absorption) of Employee Engagement, younger aged academicians were having more vigor than the older generation, and dedication is higher for 20-30 years of age group but there is a dip (decrease) in the dedication levels for the senior, Absorption level is relatively higher for 20-30 years academicians than those in the age bracket of 41-50 years, academicians with higher educational qualifications, Ph.D.'s showed a more cognitive and affective association for their job role in that specific institute. (age, gender, education) professionals above 51 years
Chandani et. Al. (2016)	Employee Engagement: A Review Paper on Factors Affecting Employee Engagement	The researcher did a review of 30 papers. The researcher highlighted that due to a reduction in employee turnover, productivity can also be improved. The findings of this study were factors of engagement which are at the macro i.e. at the organizational level and micro level i.e. at the individual level, suggestions like strong induction programs, rigorous training and development program, certification program, and giving them a realistic job preview.
Ferguson and Carstairs (2005)	'Employee engagement': does it exist, and if so, how does it relate to performance, other constructs and individual differences?	The researcher did a review of the papers. The main focus of the study was to analyze the relationship between that construct and other constructs such as organizational commitment and job satisfaction. In this, the constructs used were global constructs as it is a combination of job satisfaction, organizational commitment, and intention to stay and multidimensional construct, in that employees could be emotionally, cognitively, or physically engaged.
Pandita and Bedarkar (2015)	Factors Affecting Employee Performance: A Conceptual Study on the Drivers of Employee Engagement	The researcher did a review of several papers. It was founded on this, that high levels of engagement were associated with a host of positive outcomes for individuals and their employers, the highest numbers of employees were found in the 'not engaged' category, women tend to find more fulfillment in their jobs and are more engaged than men. The researcher suggested using SET (social exchange theory) in the future.
Gaur et.al. (2015)	Employee Engagement: Emerging Scenario	The researcher collected secondary data by reviewing several papers. This paper focused on emerging issues related to employee engagement.
Gupta et. al. (2015)	Factors Affecting Employee Engagement in India: A Study on Offshoring of Financial Services	This study reflected the financial department of a company. The technique used was an interview and it was conducted on 60 employees. The researcher applied Braun and Clarke's method of Thematic analysis. The researcher found that these factors will encourage employers to make more employee-friendly policies and by resolving employee issues. In the future longitudinal studies will be applied to this paper to see the difference.

Mangaleswaran and Srinivasan	A Comparative Study of Human Resource Management Practices in Sri Lankan and Indian Public Sector Banks	This study compared HRM practices in Indian and Sri Lankan public sector banks. The researcher made a questionnaire and conducted a study on 730 employees. The test used in this study was CFA, T-test.
Sawant and Agrawal (2015)	A Study of factors affecting Employee Engagement policies in Indian Nationalized Banks	This paper revealed the factors which affect employee engagement in public sector banks in India. For this, a questionnaire was developed in order to collect the primary data. The technique used was the Convenience sampling method and an attitudinal study was conducted for this study. The findings of this study are Compensation and work-life balance conditions provided by private sector banks are more attractive than public sector banks.
Rai (2012)	Human resource management and labour relations in the Indian industrial sector	The researcher reviewed 138 papers out of which 65 were taken in this study. This study was conducted on the automobile sector in India in order to analyze the HRM practices and labor relations in that sector.
Bhatt and Mehta (2013)	Effect of HRD Climate in Private Sectors Banks at Bhavnagar District	This paper revealed the effect of HRD Climate in Private Sectors Banks at Bhavnagar District. For this a questionnaire was developed. The test used were mean, standard deviation, percentiles, Z test. The researcher founded by applying the test that HRD climate in public sector banks is average and perception of employees regarding the HRD climate not differs significantly on the basis of gender, qualification and designation but it differs on the basis of age.
Dhawan and Verma (2022)	Comparative study of performance appraisal practice in public sector and private sector banks in Haryana state	In this paper Non- Probability Convenience sampling technique was used. Data was collected using self-designed questionnaire on 300 bank employees (150 each) from the government owned (State bank of India, Punjab national bank and Bank of Baroda bank) and privately owned (Axis, ICICI and HDFC Bank) commercial banks in Kurukshetra, Karnal, Kaithal, Ambala and Yamunanagar cities of Haryana. The statistical results showed that there were no noteworthy disparity in performance appraisal practice when contrasted between privately owned and publicly owned banks.
Haq (2012)	The managing diversity mindset in public versus private organizations in India	Qualitative data were collected in December 2009, by interviewing eight participants in six public and private sector organizations in India. The researcher conducted in-depth interviews with these eight key informants, seven of whom were in senior positions which included the HRM and diversity mandate within their role while one participant was a PhD student. The results indicate that, although attempts are being made by the government to extend reservation into the private sector, the current focus of voluntary managing diversity efforts in MNCs is exclusively on women while the reservation regulating public sector is primarily in compliance mode.

4. CONCLUSION

From the above analysis, we can conclude that HRM practices in the Indian banking sector have evolved in the past few decades. HRM practices play a vital role in an organization because it is significantly correlated with employee's performance. HRM practices followed in the private sector are slightly better to the HR practices followed by the public sector banks. The growth in the service sector with new players entering the market are likely to pose new challenges for HRM practices in the Indian banking sector. For the success and sustained growth of Indian banks, it is imperative that human resource management needs to be fully embedded with the strategy of the banking organizations.

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