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Impact of human resource management on public sector bank in India: Some issue

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Abstract

Human resource management policies and practices that vigorous the needs of the banking sector. The Indian Banking industry must be managed by banking professionals in order to be aggressive and to take hold of the fruits of the sector on the global level. This paper studies a review of human resources management policies and practices in the banking sector in India principally in Public Sector Banks with consideration of some important indicators of banking sector such as job analysis, recruitment and selection, training and development, performance appraisal and compensation. As a result, the suggestions will support proper implication of human resources management practices in the Indian public sector banks.

Keywords: Bank in India, management policies, banking sector

Introduction

Syndicate Bank had established in the year 1925, its first office in the coastal region of Karnataka, Udupi. It was then named as Canara Industrial & Banking Syndicate Ltd'. the bank was initiated by a trio - Sri Upendra Ananth Pai, a businessman, Sri Varnan Kudva, Canengineer and Dr. T M A Pai, a physician, with a capital of Rs. 8000. During that time, the crisis in the handloom industry crippled the local weavers completely. The main aim of Syndicate Bank was to provide financial assistance to them, by mobilizing small savings from the community.

Three years later, in 1928, the bank came up with Pigmy Deposit Scheme, in which it collected as little as 2 annas per day, at the doorsteps of the depositors through its agents. The scheme existing till date, earns the bank a sum of Rs. 2 crore daily. In the same year, Syndicate bank opened its first branch at Brahmavar in Dakshina Kannada District. It became a member of the Clearing House, for the first time at Bombay, in 1937. Almost a decade later, Syndicate Bank opened 29 branches opened in a 8ingh~ day in rural areas. Its both branch opened in Karnataka in 1957.

The bank with its socio-economic aim was making extensive growth and advancement and entered Foreign Exchange. business by opening Foreign Exchange Department at Bombay. In 1964, the bank changed its name to 'Syndicate Bank Limited' and the head office was also shifted from Udupi to Manipal. The bank had then set up an Economic Research Department, being one of the first few Banks to emphasize on research I in Banking, even before nationalization. In 1971, it opened the first specialized branch in Foreign Exchange, in Delhi. Five years later, it opened its first overseas branch opened at London.

In 1984, Syndicate Bank opened its 1000th branch in Hauz Khas, Delhi. In the same year, it undertook the management of Musandam Exchange Co. in Muscat. Five years thence, in 1989, Syndicate Bank opened its 1500th branch at Kanakumbi. In 1999, it raised a capital of Rs. 125 Crore from its more than 4 lakh shareholders. Next year, in 2000, the bank established its first specialized Capital Market Services, at Mumbai. In 2003, Syndicate Bank entered into a MOU with Bajaj Allianz, for distribution of Life Insurance products. In 2004, Syndicate Bank amalgamated with United India Insurance Co. Ltd. for distribution of Non-Life Insurance products.

In 2004, Syndicate Bank also started utility bill payment services through Internet banking introduced. In 2005, the bank commenced the online reservation of railway tickets through Indian Railway Catering & Tourism Corporation Ltd for its customers. It was during this time that it entered into a MOU with SFAC for promoting of investments in Agri-business products. The 2000th branch was opened at Tindiarpet, Chennai, in 2006. In the same year, the bank commenced the first BPO outfit of a Nationalized Bank, Synd Bank Services Limited.

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With the age of progressive banking, Syndicate Bank has created a name for itself in the last 80 years. Rooted in rural India, the Bank has a clear picture of the grass root realities and a vision of future India. Changing with the changing times, the Bank has well equipped itself with all the facilities of the new age without, however, altering its distinctive socio-economic and vailruig culture Syndicate Bank's unique principle of mutual development, of both the Bank at the people, has won it a long list of clientele, which includes both the rural and the semi-urban class.

HRM contributes to organizational performance in different way through sound functional basics; through effective realignment when the extern environment changes; and by building an organizational context to that the organization can cope with the dualistic forces. The core function of HR banking industry is to facilitate the performance improvement among its people Factors such as skills, attitudes and knowledge of personnel, play critical role determining the competitiveness within the organization or the industry. The quality of human resources indicates the ability of banks to deliver the value clients or customers. Indian banking industry has been an important driving for behind the India's economic development. The emerging environment poses both opportunities and threats, particularly to the public sector banks, as well as the human resource in changing economic and business environment. The prima emphasis needs to be on integrating human resource strategies with the business strategy. The aspects of recruitment, placement, performance management, rewards and employee relations a radical transformation of the existing personnel structure in public sector banks like the seniority over performance is not the best environment for attracting the best talent' from the young competitive environment. However, recruitment practices as well as on-the-job-training and redeployment are considered as one of those many improvements of HR in Indian Banks (2002). To make the Indian Banking System stronger, efficient and low-cost, the creation of fundamentals must include in the bank's operations, strategies, and processes: strengthening the prudential norms and market discipline; adoption of international benchmarks; management of organizational change and consolidation within the financial system; upgrading the technological infrastructure of the financial system; and human resource development as the catalyst of the transformation. The Human Resource field in the Banking Industry is considered one of the process of discovery and transformation. The field of Human Resources can be described as emergent and dynamic within the cultural business aspect in a Banking Industry. The success of todays banking business will sparsely depends on the human resources of the organization in which plays a crucial role in providing the services needed. The evolution of banking system in India affected the human resource practices, recruitment and selection practices and training system. A major challenge for many banks will be to develop the special competencies and skills for credit appraisal and risk management. Putting the information technology is a key contributed in human resource development Therefore, the FIR model of the future will require professionals to be both driving and anticipating change, understanding the complexities of the new business environment and forces shaping it. The universality of the HR model maintains the practices are universally associated with high performance. The high commitment of high

performing practices, have better financial returns. HRM in the Wake of Globalisation:

Syndicate Bank business are increasingly getting internationalized, the need to have customer from different cultures has become a must to stay competitive and hence, the need for HRM.

HR professional has to understand the unique culture and institutional differences among countries and identify ways and means of effective management. HRM should transcend national boundaries as internationalization HRM has become imperative for business operating in global markets. While customer have always been central to organizations, today they he taken even more critical role in Banks competitive advantage through a set of core competencies, which brings value to customers.

HR professional to acquire a complementary set of competencies such business mastery, HR mastery, managing change mastery and establish personal credibility.

Ultimately, managing people is rarely the exclusive responsibility of the HR function. Every manager's job is managing people, and successful companies are those that combine the expertise of HR specialists with the experience of li managers to develop and utilize the talents of employees to their greatest potential.

Containing Cost

There are increasing pressures on Banks to lower Interest rate and improve productivity to maximize efficiency. Labour costs are one of the largest expenditures of any organization, particularly in service and knowledge-intensive organizations. Organizations have tried a number of approaches to lower costs, particularly labour interest rate. These include down-sizing, outsourcing and employee leasing, and productivity enhancements, each of which has direct impact on HR policies and practices.

Cultural changes are the attitudes, beliefs, values and customs of employees. Their culture affects their behaviour on-the-job and environment within the organisation influencing their reactions to work assignments, leadership styles. HR procedure to be adjusted to cope with this change.

Managing diversity means being acutely aware of characteristics common to employees, while also managing these employees as individuals. It means not just tolerating or accommodating all sorts of difference but supporting, nurturing, and utilizing these differences to the organization's advantage.

New lifestyles cannot help but have an impact on the way employees must be motivated and managed. Consequently, HRM has become more complex than it was when employees were, concerned primarily with economic survival.

Syndicate Bank known as "Small Man's Big Bank" and initiated various measures for HRM right from the inception. Be it the introduction of Pigmy Deposit Scheme or financing agriculture sector or establishing training institute for rural unemployed, Syndicate Bank is always the front runner in implementing innovative banking schemes meant for the economic development of the people belonging to weaker sections, farmers, rural artisans etc. In the context of the present need to provide banking facilities to a vast majority of the population, Syndicate Bank will continue to implement various programmes in reaching the

unreached to achieve the objective of greater financial inclusion.

Conclusion

The Public sector banks have to take initiation to modify in their HRM policies and practices, in order to compete with private/foreign banks in present circumstances. Syndicate Bank should spread out their HR activities in all branches and develop strong HR polices. Decision making Power and accountability should be properly circulated to all HR managers. Bank should give some significant power and role to HR director in order to authorize the HR departments. This will help to recruit and maintain skilled, knowledgeable and well performed workforce to meet current and future organizational as well as individual needs. Henceforth, the public sector banks in India have to utilize many opportunities to meet certain challenges under the changed circumstances. Considering the present dynamic global business environment, the present paper mainly focused on the HRM system in public sector bank in India. Public sector banks need to pursue more modernized HRM practices.

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