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Human Resource Department- Necessity For Nationalised Banks In India

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Abstract:

Banking sector is a fast growing sector in India and nationalised banks have a stiff competition to face from private banks. Expansion in number of branches, the need to adopt new age technology and to recruit new generation of employees, adds up to the pressure to succeed in the market. In the absence of proper human resource department, nationalised banks are becoming directionless in order to survive in the souk. This study was carried out to spot the necessity of human resource department in nationalised banks and the areas in which it is of great help. Through the study it was noted that bank employees are not fully aware of the importance of human resource department and top level executives don't find it necessary to incorporate it in their banking structure as they feel that it is for multi-national companies(MNC's) and private organisations.

Key words: Human Resource Department, Nationalised banks, Multi-national companies

1.Introduction

'Human Resource' (HR) is a term associated with employees working in an organisation. They are said to be resources for the organisation as no entity can be run without having human involvement. Being the main factor for organizational working, they are considered as 'resources' for the organisation. Thus, the term human resources have been ascertained. The other prime factor for this term is to give proper credibility to the employees of the organisation and they are further categorized as being the 'staff' or 'personnel' or 'work force' or 'employees'. Change is persistent and nationalised banks need to cope with the changing environment and adhere to the dynamics of it. With the continual change in surroundings, banks cannot stick to their old roots and phenomenon's and if they want to attract new talent from the generations ahead they need to incorporate change in the working patterns, style of leadership and leadership theories followed till date. The old age practices cannot rule the banking industry nowadays and need to have an out of the box approach and refrain themselves from sticking to the old age paradigms to sustain in the industry where there is cut throat competition between nationalised banks and private banks. There is a shortage of experienced employees in nationalised banks because the intake of fresh talent merely takes place due to a rigid working style where the young generation feels misfit. Growth is also a concerning factor for many as earlier job stability was only necessary for people but now there is a constant need of self actualisation where an individual not only needs job security but self enhancement as well. This would mean challenging tasks rather than following orders of the bosses.

All of this needs to be managed and top management cannot do that. So, this calls for human resource management in nationalised banks.

2.Literature Review

'Human Resource Management' refers to the activities of a specialist staff that are responsible for managing the workforce related activities. It performs various functions of planning, selection, recruitment, performance management, development, training, grievance handling, and counselling of the employees to name a few. They are the bridge between the employees and the management of the organisation. For this reason every entity dealing with large number of the workforce should be having a human resource department for proper functioning. Dealing with people is a tough task as it comprises of diverse attitudes, background and working styles of those employed and inclining them to aim for the same goal i.e. productivity of the organisation is a complex maneuver.

3.Need For Human Resource Management In Banks

Banking being a service industry and banks often termed as a 'people business' organisation dealing with people inside and outside the organisation everyday necessitates having a human resource department for banks. Banks manage people in their organisation and these internal people manage the external people directly dealing with the organisation as banks thrive on customer satisfaction. Banks have to tackle customers on a daily basis and most of them are face to face interactions so internally the banks should be concrete and

guarantee the internal satisfaction of its employees as they are the face of the bank. Their attitudes will reflect the image of the bank; if they are satisfied it will convey the same to the customers.

There are certain issues when it comes to public sector banks and the major challenges are:

- Manpower planning is needed if a new generation has to be attracted to integrate new talent and skills associated with them. So, for that a steady and carefully calibrated recruitment programme needs to be established that would incline with their level and education. New generation doesn't confine to urban areas but rural areas which are too often neglected in this process. Banks have operations in rural villages as well and people to be appointed there should not only have talent but compassion and understanding of the rural community as that sector needs to be dealt differently. There needs to be lots of planning involved in it and with that discrimination needs to be done but at a positive level as to who needs to be placed where.
- Cultural adjustments need to be done if new generation and old generation encompass to work as a team and for that a human resource panel including people from both the generation must be acquired.
- Technological advancements are taking place at a rapid speed as a result of global acceptance and this means the new generation is already well rehearsed. To meet the pace of the changing era, older generation needs to shift from their comfort zone to adopt new working styles and this will invite discontentment in them. This needs to be done through skill based training.
- Retaining people is in itself a complicated job as these days people leave banks for joining financial institutions or private banks in order to flourish but the opposite happening is less likely to be seen. This is an industrial age and people work not to earn a livelihood but to satisfy the urge of self esteem. This can be done through empowerment where the bureaucracy needs to be cut down and delegation of work needs to take place.
- Retirements or voluntary retirements are happening at a fast pace in the nationalised sector and to fill in the gap culturally different and a new pool of talent needs to be attracted but with that, change in the style of management needs to take place to adopt a more participative approach and slip in democratic style of leadership instead of authoritarian style.
- Performance management system (PMS) is the need of the hour and for that a fair, transparent and objective mechanism needs to be set for banks because an effective performance management system (PMS) is the key to talent management. It thrives on discriminating between people performing at an expectable level and those not able to achieve it. But the bottom line is that the management needs to set an 'expectable level' which would give way to be eligible for promotions. The system cannot work on its own without clarity in the minds of the top management. Promotions at the highest level should adopt 360 degree performance management system wherein the superiors, subordinates and customers are also involved in rating the person's performance apart from the 'expectable level' to distinct between contenders for that position. It is carried out as a feedback mechanism to get un- biased results and as secretly as possible.

4.Human Resource Specialists

Modern organisations have grown in size and complexity in their dealings and hence it becomes essential that there should be a 'division of labour' in the managerial staff to cater to the needs of the branches of a bank in the district. There should be a controlling power to regulate the operations in a bank that deals with people inside the organisation. Human resource specialists are advised for this role and one human resource specialists can be enrolled for this task in every branch.

If human resource specialist cannot be assigned in every branch, there should be a district HR department who surveillances the operations of all the branches but if the branch is larger in capacity in terms of employees, bank dealings and transactions, it should mandate having a human resource specialist. This would delegate the responsibility from the top level executive as they are not suitable to handle all these issues. A non biased approach is desirable for carrying out the responsibilities.

Their main roles should include:

- Formulating personnel policies for the organisation
- Mandating the working hours of the office
- Grievance handling for both customers and employees should be maintained
- Bridging the gap between senior employees and those at the staff level
- Transfer related matters
- Counselling as and when required to maintain peaceful harmony
- To maintain a check and curb unfair practices
- Feedback forms should be encouraged to be filled with the customers
- Handling exit interviews

5.Human Resource Specialist Roles

5.1.Transfers

Nationalised banks are known for their transfer practices to equip individuals to new environment but a married individual has lots of responsibilities to take care of and their family is their backbone. Corporate's provide a hefty package to lure candidates but forego the emotional aspect of an individual which is present in each and every human being. If banks can't provide the person with more than

basic salary, they should dwell on the 'emotional aspect' of an individual and thrive on it by providing the non materialistic comforts to them.

For an individual, money is not of prime importance at all times, comfort equally holds the significance, even in this period. Right talent could be attracted if non-monetary benefits could be forthcoming. Banks need to sell these benefits as a package deal to the contenders keeping in mind their stability needs which can't be fulfilled apart from the family. People work the best in their comfort zone where they have been in and transferring them out of their zone, leaving behind their family is not a welcoming approach for many. This leads to internal tiff, lack of concentration, more of agitation and low performance and detachment with the work organisation. It could be best worked out if an employee has someone to discuss out issues at the workplace rather than going to their bosses with the plea known to be unheard of at times due to mind block.

So for this, HR debt comes to rescue who have a knack for unbiased approach and they can be good counsellors at times.

After all, human resource department is for the employees on board.

5.2. Working Hours

Earlier banks had laid an idiom of '9am-5pm' schedule because of their working hours which was seen as a benefit amongst the working class. It was regarded as a comfortable lifestyle, leaving ample time to go back home and resume your personal life in comparison to the high demanding corporate lifestyle. Though, nowadays bank seems to have adopted the same working culture, extending beyond scheduled time and Saturdays being taken as a full working day in most of the banks. There is no one to define the limits. Even a Sunday is curtailed at times due to 'recovery drives' and 'branch openings'. To add to the matter of fact, a national holiday is even abridged at times to fulfill bank duties. There is no compensation for the same.

During the month end closing the working days and hours are not being seen. At times it goes beyond the closing period. That is the plight of a government bank employee these days. Who is to be questioned, no one knows because everyone is bending in front of the system and following orders, not knowing who is responsible for them. The human resource department is the one who needs to be responsible for this but in the absence of one in the place, no one can be held accountable and what comes to the rescue is following the orders from wherever they come down.

5.3. Appreciation

The performance management system cannot be followed every now and then but there are certain other methods that can be approached for encouraging the employees. Appreciation being 'word of mouth praise' along with non monetary incentives like a typed letter to the employee for their accomplishment or a certificate of achievement or arranging a small treat within the branch to encourage the employee to keep working in the best interest of the organisation can take place. Small initiatives can bring lots of change in the mindset of the individual and this will bring positivity in the work environment. An individual is always keen for gratitude to attain the 'self-esteem' to head towards the top level of 'self- actualisation' as indicated in 'Maslow's hierarchy', wherein the individual assures their self-worth by gaining social recognition and accomplishment. Management looks up to recognizing the performance of the top level executives like CMD's (chief managing director) and ED's (executive director) but the base level staff and middle level managers need recognition too.

They are the foundation of the bank and if they don't perform well then the top level executives will not be prized. Someone needs to delegate this duty at the branch level and HR executive usually looks after these tasks.

5.4. Unfair Practices

Banks dealing with influential people in case of loan matters can be a threat to the bank and lead to mal practices being followed by the officers, subjecting the bank's reputation at risk. Mainly branch heads can be involved in this or the person who has the sanctioning authority as they have no immediate boss over them. Setting up a human resource department in every branch can be a huge task but district wise set up can always be done to curb these practices. All the branches within the city should be upheld by the human resource department. The top officials of the branches should be reporting to this department or monthly checks can be done by the human resource personnel to get a hold of the dealings. A knowledgeable person having a grip over the methodology of a bank can be recruited for the same like retired bank officers having a clean profile.

5.5. Training

In this competitive time, nationalised banks are fastening their belts to sustain in the field which calls for improvising the skills of the employees and training them according to the changing times. Due to technological advancements, nationalised banks also need to adhere to these and upgrade their employees to match the skill set required to perform tasks via technology. Employees are trained for that but till what level that benefits the individual capability is unknown. Older generation employees are not internally prepared for the change and they half-heartedly approach the new skills. Before imparting the skill sets required due to technological changes, the employees need to be prepared for the same. They need to be made understand the reasons for the change and its benefits before putting them through 'refresher training/retraining' wherein they are made to relearn new modus operandi and forego the techniques they have been following. Imparting new skill set is not the solution, imparting knowledge through skill set, needs to be undertaken.

Banks may hire training experts for this task but human resource personnel looks after the mental conditioning of the employees.

5.6.Promotions

This is an issue that calls for serious attention, as, it is directly related to performance of an employee and in the absence of a proper machinery to look after the promotions, it can result in dissatisfaction in and amongst the employees and biasness by the top level. Influence is a major part of the biasness approach which needs to be curbed through professional expertise. Promotions in banks require lot of attention and scrutiny. It should not be left in the hands of management alone as there are possibilities of drifting away from the main focus which is development of the bank as a whole. Opportunity should be given to the deserving candidates in spite of the caste/creed/religion/gender. The term 'creamy layer' is often used in government jobs including banks but promotions should be solely and discreetly done on certain factors related to performance such as the ability to handle tasks efficiently, past records, achievements, relationship with customers.

360 degree performance approach can be used for the same by human resource managers. The selection of the candidates of the executive cadre should be done through Assessment Centre, which provides essential data on the potential of the candidate required for that position. It's a specialist approach and regards professionalization of HR which ensures competent officers enter the executive cadre for the newage banking.

5.7.Exit interviews

There is no proper method to conduct the exit interviews in the banks. Apart from the retirement aspect for employees exiting the organisation, there are plenty other reasons to foresee due to new and better opportunities coming in their way.

Exit interviews pose lot of challenges even for the human resource personnel as the person quitting the organisation will not be transparent in its views and for that the best possible solution is to conduct it through questionnaires which can be prepared only by an HR person having the knowledge of how to get things out without making the person uncomfortable in presenting their thoughts and views. The process of exit interviews doesn't stop at this level. The database needs to be maintained of the retired employees for future issues and the ones who have been beneficial to the organisation in their service period should be kept in contact. Banking is a complex process; it may require individuals who have served the organisation for a long period of time.

6.Conclusion

Banks need to have a specific department for this to outcast from the term 'sarkari' (meaning government in English) bank associating it with laidback attitude of the employees. This separates nationalised banks from private banks where the latter aims to match the international standards. Government banks are no less in their tasks but over the time have become sloppy and are taken for granted. This has made the employees to believe the same and work under the same belief. Customers often complaint about bank employees not attending them properly and are not serious about the problems faced by them. It needs to outgrow from that perspective to gain international acceptance. When the ATM (Automatic Teller Machine) cards are globally accepted of the government banks then they need to rise above the level they themselves have set with their attitude towards work. A strong vigilance needs to be created; young and experienced personnel's need to take over the matter. It's the need of the hour otherwise nationalised banks will deteriorate and struggle to prove themselves.

Banks aim to maximize their branches within the state but no one has any idea that is this only needed. Are nationalised banks just for the rural or lower middle class strata? Upper middle class and higher group doesn't feel associated with these banks. Don't our nationalised banks need to rise above that level? The elder generation enrolled in banks doesn't want their future generation to follow their footsteps and the reason is already known. This shows the plight of the nationalised banks. Government are the promoters and stakeholders of the nationalised banks but the management needs to promote human resource practices in the organisation and for that they need to gear up and take this issue seriously as banking is not just about numbers, it's about people first.

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