

## IMPACT OF FINANCIAL SECTOR ON BANKING HR SECTOR IN INDIA

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### ABSTRACT

*The study is focused on tracing the evolution of HRM practices of banks in India and how it has evolved with time. Its only a few studies have addressed the banking industry. 5 public sector banks and 4 private sector banks in Odisha extended cooperation for this study. The qualitative study has analyzed the industry reports and other secondary sources of information. Banking in every economy holds a very important place and being a human intensive sector. The overall aim of the research is to look at four key areas (Training, Performance Appraisal, Retention policy and Recruitment policy) that shape the development of banking industry in Odisha as well as Indian as a whole.*

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**Keywords:** HRM, Public Sector Banks, Performance Appraisal, Retention Policy, Recruitment policy.

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### Introduction

Human resource management is the back born of any organisation and banking sector is not exception to it. Banking being a service sector is primarily dominated by people or customers. The success of the banking business more or less depends upon the effective and efficient human resource of the banks. The service quality and customers satisfaction can be enhanced by the behavior and hospitality of the banking employees.

This sector has undergone a metaphoric change during the last three decade with respect to their human resources management practices Human influence in business has been constantly rising since the Industrial Revolution, even after machine and automation has increased to a great extent. As per the Reserve Bank of India (RBI), India's banking sector is sufficiently capitalized and well-regulated. The financial and economic conditions in the country are far superior to any other country in the world. Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have withstood the global downturn well.

### Profile of Banks

The present study is to find out the Human Resource Management Practices in Indian banking industry. HR practices have been studied extensively among manufacturing, service and small medium enterprises. "Banks need to reskill to operate in this environment." One approach has been to develop "universal bankers." Instead of being trained to work exclusively as a teller or a new-accounts representative, employees are trained for a range of tasks so that when one area of a bank branch is quiet, they can jump in and contribute elsewhere. Traditionally, banking has been one of the more conservative sectors in its attitude toward remote work.

"How do bank employees build relationships with customers and maintain relationships using different tools than being able to smile and chat with them when they come into the office?" asks Timothy Reiman, managing director at Crowe LLP, an accounting, consulting and technology company in Grand Rapids, Mich. "Banks need to reskill to operate in this environment."

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### **Banks and Financial Institutions**

The banking sector has been assuming a basic function in the economic development of developed nations and developing nations like India. Particularly, in developing business sector like India, banks take into account the necessities of countless savers from the family units, which lean toward guaranteed pay and liquidity and security of assets other than going about as a main thrust behind the country's economic development.

Banks and financial foundations are inevitable for the fast and adjusted economic development of the nation. Banking establishment are the key source for rural development. They can free the farmers from the hold of moneylenders. It gives facility to the business network to contribute their surplus. Banks quicken capital development of the nation. They advance international and national Trade. The study has been aimed at exploring the Innovations related to HRM adopted by Indian banks.

### **Objectives**

The main objectives of the study are as follows:

- To study the multifarious functions of human resources management in Indian Banking sector.
- To study the HRM practice and policies in banking sectors.
- To study and compare the Recruitment policy, the Appraisal system, Employee retention & Training practices in public sector and private sector banks in India.

### **Research Methodology**

Research Methodology is a systematic way to solve a research problem; It includes various steps that are generally adopted by a researcher in studying the problem along with the logic behind them. Non random sample particularly Quota sample and purposive sampling techniques have been used for the selection of the sample Banking news reports, articles, reports of RBI, journals, and various websites have been the source of secondary data.

### **HRM Practices**

- Setting the mission and goals of banking the HR sector in India.
- The initiative HR sector have been listed under seven different head HR namely.
- Recruitment & selection, training and development, performance management, compensation management, career development, employee motivation and employee security.
- Banks HR sectors must manage the both euially and strategically to develop the workforce.

### **Names of Bank Sectors**

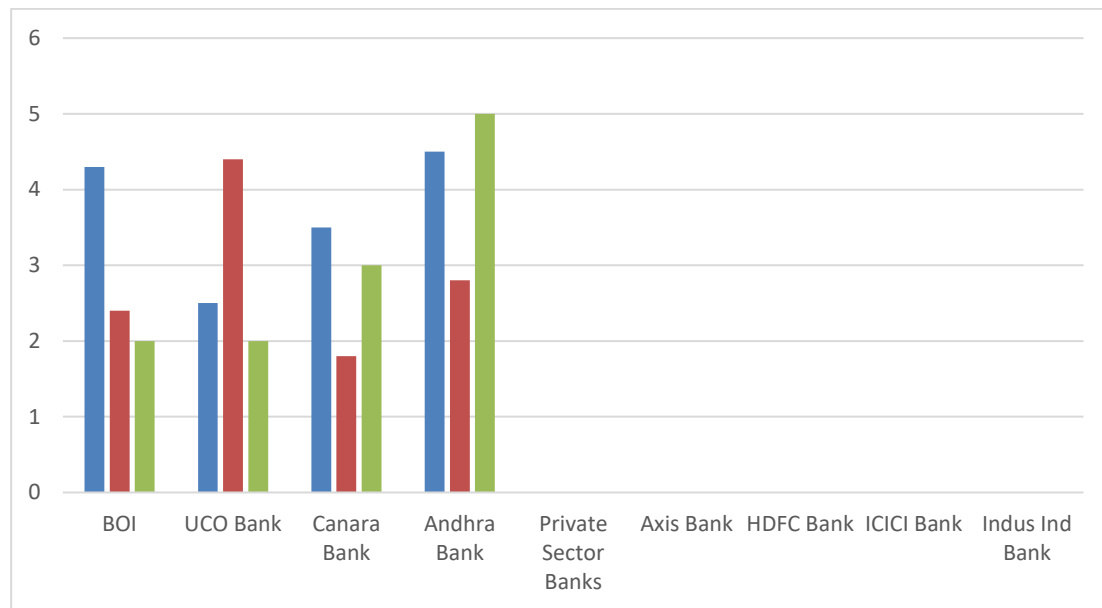
But that's changing due to the COVID-19 outbreak. The pandemic is not the only thing that has loosened banking's resistance to change, however: More customers now want to bank remotely, so banks need to make sure employees have new skills to deal with the changing demands.

The banks under public sector are State bank of India, Punjab National Bank, Bank of India, while private sector banks taken are ICICI Bank, HDFC Bank, and Axis Bank.

### **Banks with Public Sector Banks and Private**

<b>Sl. No.</b>	<b>Public Sector Banks</b>
1	SBI
2	BOI
3	UCO Bank
4	Canara Bank
5	Andhra Bank
	<b>Private Sector Banks</b>
1	Axis Bank
2	HDFC Bank
3	ICICI Bank
4	Indus Ind Bank
<b>Total</b>	<b>9</b>

Source: Collected from the official records Bank.



### Functions of Banking Sectors

Further, the significance of HR department in this area likewise has expanded throughout the long term. Recruitment of employees, training and retaining are viewed as most testing assignment of present day time.

To create HRM practices new generation banks ought to embrace diverse HR development programs including skill based education and training for development in career and similarly implement institutional training.

### HRM Practice to Financial Sectors

Human resource management is the back bone of any company and banking sector is not an exemption for it. The development of human resource is one of the main issues in India, particularly in the financial area. This is on the grounds that the banking industry both in the private and public sector are needed to raise the use of their kin through viable human resource planning, proficient development, motivation, career development and so forth.

### Statement of the Problem

The most important resource of banks is the management of knowledge on its faculty in uniting the diverse tasks engaged with the service delivery.

Banking being an assistance area is basically overwhelmed by individuals or clients. The accomplishment of the banking business pretty much relies on the compelling and effective human resource of the banks.

The administration quality and customer satisfaction can be upgraded by the hospitality and behaviour of the banking employees.

This can reduce practical risks faced by the public and private banks in the industry.

Every HRD should organize adequate training program by the professionals.

### Benefits of Banking Sector

HRM is banks because banking sector service industry. Management of people and management of risk are facing many problems by banks. The current investigation intends to inspect Human Resources Management functions and development of different sectors covering manufacturing, banking and IT sectors in India and its impact on higher work commitment, higher productivity and Organizational development. The role of human resources in management in Banking sectors are earning sustained competitive advantage and has been demonstrated empirically by various investigations.

**Problems of Banking Sector**

- Credit and deposit growth in banks have recently been slow.
- There ought to have a perceived career path with the full range of facility.
- The relationship and communication among management and employee ought to be created in light of the fact that it is pivotal for powerful and proficient functioning of an organization.
- High volume of non- performing assets (NPA) in banks have eroded their capital base, restricted the ability to lend. Financial sector of banking capital adequacy one way a bank tries to ensure it is protected from bad loans is by setting aside money as provision of banking HR sector in India.

**Conclusion**

In the present aggressive world, the saving money division, particularly of the creating economies like India, is confronting parcel of intense challenge, ability crunch, and aptitude deficiency.

All these have made the banks feel that the inner client is likewise increasingly imperative similarly with outer clients, so every bank is endeavoring to devise creative HR practices to draw in best ability and give them agreeable condition to work with, that empowers the banks to hold gifts.

The public sector banking system in India is standing at an important cross-road. There are critical choices to be made and initiatives to be taken. The time is ripe for leaving the old baggage and taking bold measures.

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