

A Comparative Study of HRM Practices in Indian Overseas Bank and HDFC Bank in Thoothukudi District

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Abstract- This research paper explores the human resource management practices and their outcomes of Indian Overseas bank and HDFC bank in Thoothukudi District. This study covers Training, Promotion and Performance Appraisal of the employees of both Indian Overseas bank and HDFC bank.

INTRODUCTION

Efficient risk management may not be possible without efficient and skilled manpower. It is a common complaint among bank executives that skilled manpower is in short supply. Human resources are becoming scarce both in quality and quantity. And, it is quite elementary that any resource that is in short supply needs to be properly managed for the benefit of society and, therefore, you need to pay attention to the entire human resource management process. The entire spectrum of HR practice requires revolutionary changes if the banks have to survive. Managing the people is the key challenge to the banks.

STATEMENT OF THE PROBLEM

Now-a-days, Employee training is becoming a necessity to every organization. The banking industry in India is dynamic. There are many challenges to be faced in the wake of this scenario. Training is the medium for banks to transform themselves to promise a better future. Employees are entrusted with different roles and responsibilities in the banks.

Performance appraisal and promotion of the bank employees enable them to carry out these roles and ready to take up higher responsibilities in the future. In this study, the researcher studies the existing HRM practices like training programme, performance appraisal and promotion of the employees in Indian Overseas bank and HDFC bank in Thoothukudi District. The aim is to assess the effectiveness of the various facets of training, promotion and performance appraisal.

NEED FOR THE STUDY

Human Resource Management is important for banks because banking is a service industry. Management of people and management of risk are two key challenges facing banks. How you manage the people and how you manage the risk determines your success the banking business.

IMPORTANCE OF THE STUDY

The study is conducted mainly to find out the Methods and Effectiveness of Training, promotion and performance appraisal in selected public and private sector banks in Thoothukudi District. The present day economy is very much dependent upon the various functions of banking HRM practices. It is too hard to imagine the country's economy, growth, sustenance and development without the role of banks. The role of banks is essentially carried out by the people and therefore it is essential to have a well trained and motivated staff to manage the banking operations. The effectiveness of the employee is very much depending on the training input given to the employees. The effectiveness of training is not static, it has to be periodically reviewed, updated and upgraded in tune with demanding situation of the economy, government policy, advancements in Information Technology and expectations of customers. All the above-mentioned aspects impressed the researcher to study HRM practices and effectiveness in selected public and private sector banks and come out with recommendations for future.

SIGNIFICANCE OF THE STUDY

The overall purpose of human resource management is to ensure that the banking sector is able to achieve success through people. HRM is concerned with achieving objectives in the areas mentioned below.

OBJECTIVES OF THE STUDY

To analyse the effectiveness of Training in Indian Overseas Bank and HDFC bank.
To study the impact of Promotional activities in Indian Overseas Bank and HDFC bank.
To find the outcome of Performance Appraisal of Indian Overseas Bank and HDFC bank.

HYPOTHESIS

The following Null Hypotheses are framed and tested for the study.

1. There is no significant difference between the opinion of Public sector bank Employees and Private sector bank Employees regarding training.

- There is no significant difference between the opinion of Public sector bank Employees and Private sector bank Employees towards performance appraisal.
- There is no significant difference between the opinion of Public sector bank Employees and Private sector bank Employees regarding promotion.

METHODOLOGY

The study is based on survey method. Primary data are collected from the field directly by using structured Questionnaire. The secondary data are collected from books and websites. 50 respondents are selected by adopting random sampling techniques for the study covering Thoothukudi, Kovilpatti and Sathoor in Thoothukudi district of Tamilnadu. Enough care was taken to include all types of employees. Statistical package (SPSS version 17.0) is used for the analysis of data.

SAMPLING DESIGN

Indian Overseas bank is selected as Public sector bank and HDFC bank is selected as Private sector bank for this study. 25 employees from Indian Overseas bank and 25 employees from HDFC bank are randomly selected for this research. The collected facts are analysed by using t-test and Percentage analysis. 5 point Likert scale is used in the study.

Limitations of the Study

The size of the samples is small.
The study area is limited within the area.
The period of study is also limited.
Only 3 branches are available for HDFC bank in Thoothukudi district.

RESULT ANALYSIS

Table 1 Demographic profile of the Respondents

Particulars	Indian Overseas Bank		HDFC Bank	
	No. of Respondents	Percentage	No. of Respondents	Percentage
Gender				
Male	14	56	19	76
Female	11	44	6	24
Destination				
Clerk	15	60	11	44
Officer	4	16	8	32
Asst. Manager	3	12	4	16

Male	3	12	2	8
Age				
21 – 30	4	16	12	48
31 – 40	6	24	6	24
41 – 50	10	40	4	16
Above 50	5	20	3	12
Educational Qualification				
S.S				
L. C	2	8	0	0
H. C.	5	20	1	4
U G	6	24	9	36
PG	7	28	5	20
Professional	5	20	10	40
Marital Status				
Married	21	84	14	56
Unmarried	4	16	11	44

The above table 1 exhibits that among the 50 respondents, Males are higher than Females in both Indian Overseas bank and HDFC bank. The majority of the respondents are Clerks in both Indian Overseas bank and HDFC bank. In Indian Overseas bank, majority of the respondents (40 %) are between the age group of 41 and 50 but in HDFC bank, majority of the respondents (48%) are between the age group of 21 – 30 years. Most of the respondents (28%) are Post graduates in Indian Overseas bank and professionals (40%) in HDFC bank. Most of the respondents are married in both Indian Overseas bank and HDFC bank. Table 2.1 is prepared by assigning the scores Very Good (5) to Very Poor (1) to all the training scale items. The Mean and Standard Deviation of the scores of all the training scale are given below,

Table 2.1 Training in Indian Overseas Bank and HDFC Bank

Particulars	Type of Bank	N	Mean	Std. Deviation	t value	P value

Relevance and usefulness	Indian Overseas Bank	25	3.90	.879	9.561	.005
	HDFC Bank	25	4.02	.511		
Quality of Training material	Indian Overseas Bank	25	3.59	.719	.953	.341
	HDFC Bank	25	4.07	.659		
Training Methodology	Indian Overseas Bank	25	3.33	.978	2.152	1.49
	HDFC Bank	25	4.29	.754		
Trainee participation and involvement	Indian Overseas Bank	25	3.65	.719	1.503	.232
	HDFC Bank	25	4.03	.679		
Communication at the Training	Indian Overseas Bank	25	3.55	.659	1.091	.305
	HDFC Bank	25	4.03	.742		
Overall Training score	Indian Overseas Bank	25	3.604	.7908	-3.209	.005
	HDFC Bank	25	4.088	.669		

Table 2.2 is prepared by assigning Very High (5) to Very Low (1). The Mean and Standard Deviation of the scores of all the performance appraisal scale are given below,

Table 2.2 Performance Appraisal in Indian Overseas Bank and HDFC Bank

Particulars	Type of Bank	N	Mean	Std. Deviation	t value	P value
Personal strength revealed by PA	Indian Overseas Bank	25	3.59	.465	8.339	.007
	HDFC Bank	25	3.79	.797		
Personal weakness revealed by PA	Indian Overseas Bank	25	3.25	.751	.021	.902
	HDFC Bank	25	3.75	.825		
Problems and weakness revealed	Indian Overseas Bank	25	2.87	1.201	1.218	.258
	HDFC Bank	25	3.21	.779		
Annual appraisals upgraded the skills	Indian Overseas Bank	25	2.59	.837	.369	.538
	HDFC Bank	25	3.22	.842		
Criteria used in the PA	Indian Overseas Bank	25	2.81	.918	1.134	.302
	HDFC Bank	25	3.01	1.159		
Overall Training score	Indian Overseas Bank	25	3.022	.834	-2.312	.031
	HDFC Bank	25	3.396	.8804		

Table 2.3 is prepared by assigning Strongly Agree (5) to Strongly Disagree (1). The Mean and Standard Deviation of the scores of all the promotion scale are given below,

Table 2.3 Promotion in Indian Overseas Bank and HDFC Bank

Particulars	Type of Bank	N	Mean	Std. Deviation	t value	P value
Work environment is excellent	Indian Overseas Bank	25	3.25	.926	3.569	.091

	HDFC Bank	25	4.11	.721		
The bank follows a right promotion policy	Indian Overseas Bank	25	3.35	.966	6.534	.021
	HDFC Bank	25	3.63	.875		
A fair transfer policy is followed by the bank	Indian Overseas Bank	25	3.61	.856	.189	.987
	HDFC Bank	25	4.15	.758		
Reward and Recognition is transparent	Indian Overseas Bank	25	3.38	.821	.293	.603
	HDFC Bank	25	4.11	.605		
Welfare benefits by the bank are satisfactory	Indian Overseas Bank	25	3.97	.465	3.051	.091
	HDFC Bank	25	4.15	.997		
Overall Training score	Indian Overseas Bank	25	3.512	.807	-2.913	.021
	HDFC Bank	25	4.031	.791		

FINDINGS

From the above table 2.1, 2.2 and 2.3, the overall p value is less than 0.05 at 5% significant level.

The null hypotheses are rejected.

There is significant difference between the opinion of Public sector bank employees and Private sector bank employees regarding training.

There is significant difference between the opinion of Public sector bank employees and Private sector bank employees towards performance appraisal.

There is significant difference between the opinion of Public sector bank employees and Private sector bank employees regarding promotion.

SUGGESTIONS

Indian Overseas bank

To improve the quality of training material.

To come forward to arrange professional faculty to train their employees.

To redesign their branches and transform the bank working environment.

To devise ways to decrease the personal weakness of the employees.

To concentrate Skill development to enhance their productivity.

HDFC bank

To come forward to provide more welfare benefits to motivate their employees.

To reduce stress of their employees by assigning less work load to provide better work environment.

CONCLUSION

In the wake of Globalisation, Public sector banks are facing stiff competition from Private sector banks. The public sector banks are finding it difficult to cope up with competition. The employees in the public sector bank are not so well trained to cater to the needs of the new age demanding customers. Most of the public sector banks are saddled with deadwood and not willing to learn and get trained. So, the HRM activities of the public sector banks should be designed in such a way to make the public sector banks to be on par with the private sector banks. The public sector banks also need to concentrate on maintaining a good relationship between the superiors and their subordinates, so that it will contribute to the betterment of the banks.

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