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Impact of HR Practices Perception and Performance of Public Sector Banks in Vellore District

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ABSTRACT

Banking and financial sector is a major sector of the development of the economy and the nation as a whole, which helps to provide required finance for the different sector of the economy. As a service sector the efficiency of employee has got a bearing on the quality of service offered. This being the case, it should have been natural that professionalization of personnel management should have gained better priority but unfortunately personnel management it happened to be the most neglected aspect of banks management. This aspect is further accentuated by the fact that banks operate in a seller's market with total absence of an element of opposition and the prices of deposits accepted is determined by the banks, but by an external agency like the RBI and the Government of India. The present study entitled "Impact of employee Perception and Performance of Public Sector Banks in Vellore District" has been undertaken. The area covered is Vellore District and the study is limited to the public sector banks. This study is to impact employee perception and performance of selected public sector banks employees in Vellore District. This study was taken as both analytical and descriptive in nature. It depends upon both primary and secondary data. This is to examine the employee perception and performance of Public Sector Banks in Vellore District**.** And to study on perception of bank employees towards the public sector banks. And also to dealings with performance level of employees in public sector banks.

1. INTRODUCTION

Banking and financial sector is a major sector of the development of the economy and the nation as a whole, which helps to provide required finance for the different sector of the economy. As a service sector the efficiency of employee has got a bearing on the quality of service offered. This being the case, it should have been natural that professionalization of personnel management should have gained better priority but unfortunately personnel management it happened to be the most neglected aspect of banks management. This aspect is further accentuated by the fact that banks operate in a seller's market with total absence of an element of opposition and the prices of deposits accepted is determined by the banks, but by an external agency like the RBI and the Government of India. In a privileged environment like this, the need for professionalization of bank management was never felt personnel happened to be managed by a non-expert and usually by a mediocre officer who could not otherwise prosper on banking operations. After liberalization of the Indian economy in 1991 and the banking sector reforms of 1998, the Indian banking sector witnessed an accomplishment of realistic pattern modify. Since the Indian banking sector has been engineered towards observance to the Basel Accords with the dependable insolence of the RBI. This regulation aimed at easing directed credit limitations under the priority sector lending measures, reduction of statutory pre-emption, deregulation of the interest rates and fostering prudential norms.

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2. STATEMENT OF PROBLEM

The Banking is now a part of the larger financial service industry in India. It is a major player role in Indian economy. The number of players in the market and the range of services and facilities offered are increasing, thereby signifying more intense competition. In the past research has shown relationship and effect of HRM practices in banking performance, only a few detailed statistical works has done to study the relationship between HRM practices and performance basis and employees perception in banking sector. Finally, the countries in the growing phases like India need to know the contribution of different factors and intensity of their impact on the employee performance that leads towards economic development. This is an area in which banking industry needs considerable change in the basic premises for human resource management and development. Hence, the present study entitled "Impact of employee Perception and Performance of Public Sector Banks in Vellore District" has been undertaken. The area covered is Vellore District and the study is limited to the public sector banks.

3. SIGNIFICANCE OF THE STUDY

The employees where working force is sufficiently literate, educated, trained and mobilized to take advantage of new advancements in techniques of production in the organization that the creation of a build-in-industry of progress becomes possible. The squarely increasing importance of HR Practices in the present day context has resulted into widened spectrum of HR dimensions which are moving away from treating humans as a means to a perspective in which they are valued as cherished ends in themselves. In this regard, the various dimension of human development include 'empowerment equity productivity security and sustainability. The empowerment depends upon the expansion of people's capabilities expansion that involves an enlargement of choices and, thus, an increase in freedom. Development of people must involve them as active participants rather than make them a passive beneficiary. The Human behavior is the result of power is the result of the interplay between individual consciousness and the forces and the pressures of the external world. Power resides in every aspect of the web of forces, values and beliefs which determine human behavior.

4. REVIEW OF LITERATURE

Vikram jeet and Sayeeduzzafar (2014) The present study is an attempt to examine and analyses the impact of human resource management practices on job satisfaction of private sector banking employees. In the present study, the estimated regression model identified that the HRM practices like Training, Performance Appraisal, Team Work and Compensation has significant impact on job satisfaction. On the other hand Employee Participation has no significant impact on job satisfaction of the employees of HDFC banks. The study recommends that HDFC Bank has to build new policies to improve employee's participation at middle level and senior level management. Other practices like Training, Performance Appraisal, Team Work and Compensation need to be maintained in order to achieve high level of job satisfaction.

Oyeniyi, K.O, (2014) this research paper investigated the effect of HRM practices on job satisfaction among Nigerian banks staff. The current study used five HRM practices such as compensation practice, supervisory role practice, promotion practice, training practice and performance evaluation practice. On the basis of the findings of this research work, it can be concluded that compensation practice, promotion practice and performance evaluation have positive effect on job satisfaction among Nigerian banks staff but supervisory role practice

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and training practice have negative effect on job satisfaction among Nigerian banks staff. The current study revealed that performance evaluation performance is most important factor for creating satisfaction among employees in Nigerian banks.

5. OBJECTIVES OF THE STUDY

The objectives of the study are as follows:

- To examine the employee perception and performance of Public Sector Banks in Vellore District
- To study on perception of bank employees towards the public sector banks.
- To dealings with performance level of employees in public sector banks.

6. RESEARCH METHODOLOGY

This study is impact employee perception and performance of selected public sector banks employees in Vellore District. This study was taken as both analytical and descriptive in nature. It depends upon both primary and secondary data.

RESEARCH DESIGN

The study is designed on the basis of descriptive method. Hence, it required both primary and secondary data. The secondary data necessary for the study have been collected from the sources such as public sector banks annual report, RBI bulletins, RBI quarterly journals, government publications and textbooks.

7. HYPOTHESIS OF THE STUDY

- **Ho1**: There is no significant relationship among the bank employees in their perception towards the employees of the selected banks.
- **Ho1:** There is no significant among employees performance of selected public sector banks.

FIELD WORK AND COLLECTION OF DATA

This study was taken by questionnaire method and personal interview by the researcher. The researcher used structured interview schedule for the purpose of personal interviews. Interviews are conducted in selected public sector banks in Vellore District.

SAMPLE SIZE

The researcher has adopted simple random sampling method. Initially 400 questionnaires were distributed to the customers spread over in Vellore District. However, 22 questionnaires were found inadequate response. Hence, they were rejected, but only 378 respondents returned the filled up questionnaires out of 300. In which 378 of them are found usable. Hence, the accurate sample of the study is 378.

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FRAMEWORK ANALYSIS

The sources of data are primary as well as secondary. The data collected from the selected public sector banks in Vellore District. The survey constitutes primary and information gathered through books, journals, magazines, reports, dairies are considered as the secondary source. The data collected from both the sources is scrutinized, edited and tabulated. The data is analyzed using statistical package for social sciences (SPSS).

8. LIMITATIONS OF THE STUDY

The study confines to the public sector banks segment in Chennai only. Private Banks were not included because of their limited presence in the study area. Further the Non-Resident and account holders were not interviewed for obvious reasons. Although adequate safety measures have been taken to minimize reporting bias from the part of the respondents, a certain degree of error or unfairness is likely to overcome.

PERCEPTION TOWARDS PERSONNEL POLICIES OF PSBS

Personnel policies are occupying a vital role in the employee of any organization. In this section, the perception of bank employees towards personnel policies of PSBs is studied. To test the significant difference among the mean value of the variables measured against the test average response of 3 (mean score), the following null hypothesis was framed

EMPLOYEES' PERCEPTION ON PERSONNEL POLICIES OF PSBS

S.NO.	STATEMENTS	MEAN	SD	T-VALUE	P-VALUE
1.	Management is having well defined personnel policies	4.88	.737	18.61	<.001
2.	Personnel policies are employees growth and development oriented	4.93	.817	17.79	<.001
3.	Personnel policies are fair to all category of employees	2.92	.833	19.20	<.001
4.	No favoritism in the accomplishment of personnel policies	3.78	.867	15.63	<.001 **
5.	Personnel policies are communicated to the employees	4.02	.832	21.18	<.001 **

Significant at 1% level

TABLE NO 1

Table- 1 shows the perception of employees of PSBs towards personnel policies of the bank. The't'-values for the variables were 18.61, 17.79, 19.20, 15.63, and 21.18 are significant at 1% level. This shows that there is significant difference among the mean responses given by the employees on personnel policies of PSBs. Hence the null hypothesis is rejected. Therefore, it can be concluded that banking sector employees of PSBs have positive perception towards personnel policies of PSBs.

PERCEPTION TOWARDS HUMAN RESOURCE PLANNING IN PSBS

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Human Resource Planning (HRP) plays a vital role in the management of human resource in an organization. Human resource planning is process of identifying the right employees for an organization. Hence success of organization depends on that selection of the human power.HRP helps an organization to select the right people for the right position at the right time and the right numbers. The results of analysis to t-test on perception of employees towards HRP in PSBs are given in table – 2

EMPLOYEE'S PERCEPTION TOWARDS HRP IN PSBS.

STATEMENTS	MEAN	SD	T-VALUE	P-VALUE
Organization involves in the human resource planning	4.13	.725	26.91	<.001
Procedures and methods followed in the HRP are correct	3.95	.970	17.02	<.001
HRP enables the organization to select right people for right position at the right numbers and time	2.69	.968	12.34	<.001
HRP facilitates optimum utilization of human resource	3.76	.026	12.83	<.001
HRP helps the organization in formulating effective managerial succession plan	4.85	.832	17.62	<.001

Significant at 1% level

TABLE NO 2

Table - 2 shows the t values for the variables chosen for measuring the perception of bank employees towards the HRP in PSBs. Interestingly the t-values of all the six variables are significant at 1% level. Therefore, the null hypothesis is rejected. Hence it can be viewed that the employees of PSBs have positive perception towards the practice of HRP of PSBs.

PERCEPTION TOWARDS RECRUITMENT AND SELECTION PROCESS IN PSBS

Appropriate recruitment and selection policy helps an organization to recruit right people for right position. In the present competitive environment, organization faces the problems of talent shortage. Fair recruitment and selection policy enables an organization to attract and select the best talents in a shorter period. Seven variables were taken to measure the perception of employees. One sample t-test was applied to study the perception. To test significant difference among the mean values of the variables measured the following null hypothesis was formulated.

EMPLOYEE'S PERCEPTION TOWARDS RECRUITMENT AND SELECTION

STATEMENTS	MEAN	SD	T-VALUE	P-VALUE

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Recruitment policy of the organization attracts large number qualified candidates to apply for job	3.83	.913	15.69	<.001
Selection procedures followed in the organization enable the company to select the best candidates	3.85	.812	18.06	<.001
Organization adopts roaster system in the Recruitment	3.63	.845	12.97	<.001
Recruitment and selection procedures enable the companies to fill vacancies quickly	3.69	1.03	11.57	<.001

Significant at 1% level

TABLE NO 3

Table - 3 reveals the results of t-test on employees Perception towards recruitment and selection policy and procedure of PSBs. It can be inferred from table - 3‘t’values for all the seven variables taken for the study is significant at 1% level. This shows that there is significant difference among the mean responses given by employees towards recruitment and selection policy and procedure of PSBs. Therefore, the null hypothesis is rejected.

PERCEPTION TOWARDS TRAINING AND DEVELOPMENT PRACTICE IN PSBS

Training and development (T&D) plays a critical role in upgrading the knowledge and skills of employees. In the fast changing business environment changes are taking places at a higher rate. Technology becomes absolute very fast. Therefore, T&D has become very much essential for bridging the competency gap in the organizations. T & D must be a need based one. Irrelevant training in no way helps the employees and the organization. In this section, the perception of bank employees towards the T & D practices of PSBs is studied. One sample t-test was used to study the perception of employees’. Seven variables relating to T & D were used for measuring the perception of employees. To test the significant difference among the mean values of variables used for measuring the perception of employees, the following null hypothesis was framed. Table - 4 shows the results of t-test on variables used for measuring the perception of employees towards T & D.

EMPLOYEE’S PERCEPTION LEVEL TOWARDS T & D PRACTICE OF PSBS.

Statements	**Mean**	**SD**	**t-value**	**p-value**
Organization gives proper orientation to new employees	4.17	.753	26.82	<.001
Organization takes serious efforts in identification of training needs	3.83	.954	15.06	<.001
Participants for the training programmes are selected on the basis of training needs of individuals	3.66	.956	11.95	<.001
Organization gives periodical training to the employees	3.94	.741	22.05	<.001

Significant at 1% level

TABLE NO 4

Table 3.4 reveals that t-values for the variables used for measuring the perception of employees on T & D are 26.82, 15.06, 11.95, 22.05, 22.76, 33.10 and 17.41. All these t-values are significant at 1% level. This shows that there is significant difference among the mean response given by employees on their perception towards T & D in PSBs. Hence, the null hypothesis is rejected.

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PERCEPTION TOWARDS COMPENSATION SYSTEM IN PSBS

Compensation system plays a critical role in the HR Practices of an organization. Fair compensation system enables the organization to attract highly talented people and to retain the best talents in the organization. This section attempts to study the perception of banks employees towards the compensation system in the PSBs. One sample t-test was applied for this purpose. The results of t-test are given in table-5. To test the significant difference between mean values of the variables used to measure the perception of employees towards compensation of PSBs the following null hypothesis

EMPLOYEE'S PERCEPTION LEVEL TOWARDS COMPENSATION SYSTEM IN PSBS.

STATEMENTS	MEAN	SD	T-VALUE	P-VALUE
Incentive Systems Adopted by the Bank are Reasonably Good	3.72	1.012	12.31	<.001
Bank Gives Bonus to the Satisfaction of Employees	3.51	1.017	8.63	<.001
Allowance Given by Management to the Employees are Adequate	3.81	1.002	14.00	<.001
Management Involves Appropriately the Representatives of Employees in The Process of Pay Fixation	3.93	.897	18.01	<.001
Wage And Salary Structure In The Bank Is Highly Satisfactory	3.64	1.212	9.14	<.001

Significant at 1% level

TABLE NO 5

Table-5 reveals the t-values for the variables used for studying the perception of employees towards the compensation system of PSBs. The t-values of all the six variables are significant at 1% level. This shows that there is significant difference among the mean responses given by employees towards compensation of system of PSBs. Therefore, the formulated null hypothesis is rejected.

ASSOCIATION BETWEEN AGE AND QUALITY OF WORK

		SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
Neatness and perfection	Between Groups	13.167	3	4.389	2.693	.046
	Within Groups	611.255	375	1.630		
	Total	624.422	378			
Highest level of satisfaction	Between Groups	5.346	3	1.782	1.113	.344
	Within Groups	600.686	375	1.602		
	Total	606.032	378			
Grasp the problems and find solutions	Between Groups	9.944	3	3.315	2.089	.101
	Within Groups	595.132	375	1.587		
	Total	605.077	378			

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TABLE NO 6

Association between age and neatness and perfection was tested by one-way ANOVA. The mean value was 1.630 within groups and F-value was 2.693. there is a significance difference between age and neatness and perfection was .046Age and satisfaction level was tested and the mean value was 1.602 within groups and F-value was 1.113. There is a significance difference with Age and satisfaction level (sig .344).Age and grasp the problems and find solutions were tested by one-way ANOVA. The mean level was 1.587 and F-value was 1.113. The significance difference between age and grasp the problems and find solutions was .101.

9. CONCLUSIONS

Mostly lesser age group employees are working as bank employees and middle age group categories employees are working very low level in banks. The numbers of male employees are more when compared to female employees in selected banking sectors. The person who finished their graduation in UG level, they are working more other groups of education qualification. In banks, who are working in banks, mostly they are married when compared to unmarried employees.

Majority of bank employees are earning salary above 6 lakhs when compared to other categories of salaries. Majority of bank employees belongs to urban area when compared to the employees, who studied from Vellore District. The person who depends on the agriculture family, they are working more in banking sectors. They really want to work in banking sectors when compared to other family background employees. Almost all the sample bank employees have clear idea in understanding the measures used for perception and performance of the employees. Majority of the sample respondents accepted to great extent for the objectives of performance set for them are action oriented. They also have clear idea about the perception and performance appraisal methods used in selected banking sectors.

Majority of employees have positive opinion about the management of bank in recording the details of individual employee’s performance. Selected banking sectors are not conducting the perception and performance appraisal reviews as per the desired levels of its employees. The management of selected banking sectors is fixing the performance standards for its employees in the beginning of the every financial year. The set standards are also communicated to its employees. The performance and perception appraisal system is more transparent in selected banking sectors as majority of the employees have strongly felt. The relationship between age and initiative skills of employees and dependability with three variables (challenging task, plan the work and go ahead and self starter skill and performing job without supervision) was tested by one-way ANOVA tool. There is a significance difference between age and challenging task was .750 and age and self starter and perform job without supervision was .022 respectively. There is no relationship between age and plan the work and go ahead. One-way ANOVA tool has been used to find out the relationship between qualification and initiative skills of employees and dependability with three variables (challenging task, plan the work and go ahead and self starter and perform job without supervision). The significance difference between qualification and challenging task was .333, qualification and plan the work and go ahead was .039 and qualification and self starter and perform job without supervision was .082.

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To conclude, the present study has brought out the impact of Human employee Perception and Performance of selected banks. Most of the bank employees have positive perception about their banks as well as the result of analyzing reflects that their performance for development of banks is also good. Employees have good perception about the bank Personnel policies, Human Resource Planning, Recruitment and selection, compensation system, employees motivation, performance appraisal and interpersonal relationship. Banks provide proper training for employees to improve their individual skills.

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