

**STUDY OF THE HUMAN RESOURCE MANAGEMENT
PRACTICES WITH REFERENCE TO STRATEGIC ISSUES
IN ALLAHABAD BANK, DEHRADUN**

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ABSTRACT

Human resource management practices play a vital role in the functioning of any business organization including public sector banks which undertake bulk of financial transactions in Tier II and Tier III cities. This paper presents the results of a study conducted in selected branches of Allahabad Bank Dehradun and their regional office on human resource management practices with reference to strategic issues. It is based on the perception of the employees at the senior, middle and lower levels. Random sampling method has been adopted for selecting the population to be studied, which included respondents from both genders; different educational backgrounds; lengths of service and levels in the organization. Primary and secondary data was used for analysis and arriving at results. Interesting results and conclusions have been obtained which will help the bank management to improve HRM practices.

Key Words: Management; Strategic; Organizational; Changing; Collective; Performance; Improvements

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INTRODUCTION

Human Resource Management is the application of management principles to management of people in an organization (Aswathappa 2010). It is an important part of managing any organization, particularly business organizations. HRM includes various management functions like recruitment, training, development, wage/ salary administration, industrial disputes, social security and labor welfare, promotions. In recent times, these practices are increasingly being used as a tool for meeting the objectives of the organization, rather than being restricted to the traditional approach.

Human Resource Management is the process of bringing people and organizations together so that the goals of each are met (Rao 2005). This has emerged as one of the major functions Human that helps the business organization to plan, manage and coordinate various functions for achieving the short and long term goals of the organization. Larger organizations have identified strategic issues for Human Resource management which help them in focusing on their objectives and improving productivity. This means focused human resources planning, recruitment, selection, placement, training, development, performance appraisal, compensation administration, incentives, employee benefits, social security, industrial relations, employee grievances, collective bargaining, personnel records and accounting and many other fields directly or indirectly related to management of human resources

STRATEGIC ISSUES

Strategic issues in Human Resource Management help in identifying and developing processes and practices, programmes and policies for management of human resources that help in achieving the organizational objectives. It is an effective way of organizing and managing human resources by adopting a well defined strategy of meeting the organizational goals.

Focusing HRM on strategic issues helps in achieving the following outcomes which are in line with the model of Mello (2002)

- Increased performance
- Customer satisfaction
- Employee satisfaction
- Enhanced shareholder value

These outcomes are attained through human resource management which includes effective management of staff; retaining the work force and minimizing turn over; selection of employees that match the strategy and culture of the organization; investment in human resources and its development; integrated HR programmes and a dynamic HR policy to suit the changing needs of the organization.

NEED FOR THE STUDY

In today's fast changing business world, the role of commercial banks has become very important as they provide the mechanism for almost all financial transactions to take place. Amongst commercial banks, the public sector banks account for bulk of the transactions in India.

Besides this, the commercial banks also provide many other services. Amongst them are:

- Finance and insurance.
- Consumer banking.
- Corporate banking to business organizations.
- Personal banking to individuals and groups of individuals.
- Mortgages.
- Credit cards and debit cards.
- Gold coins.
- Foreign exchange services.

Strategic issues in HRM play a major role in meeting the objectives of the commercial banks in India and the human resources available working in these banks can contribute significantly for focused delivery of banking services. Thus the need for studying the perception of employees on HRM so that recommendations may be drawn for focused outcomes.

OBJECTIVES OF THE STUDY

The main objectives of the study were:

- 1- To study the perception of the employees on Human Resource Management practices in this banks with reference to strategic issues.
- 2- To identify the HRM practices that can contribute to improving the performance of the bank.
- 3- To suggest improvements that can be brought bout in the Human Resource Management Practices in this bank.

STUDY AREA

Dehradun city, the capital of the state of Uttarakhand, with a fast growing economy both in the urban and rural sector has been taken as the study area. The state of Uttarakhand comprises of rural and urban areas both in the mountainous and plains regions and Dehradun is the commercial as well as political capital of the state. After formation of the state in the year 2000, the banking sector in Dehradun has grown manifold.

Allahabad Bank has been taken as a representative public sector bank for studying the human resource management practices with reference to strategic issues. The perceptions of the employees have been used as a base for this study.

METHODOLOGY

The methodology adopted for this study is given below:

1-Preliminary survey

A preliminary survey of various commercial banks in Dehradun was conducted for selecting the banks in which this study would be done. The Allahabad bank was taken as representative of the public sector commercial banks in Dehradun. The following branches / offices were selected on random basis for this study for collection of data:

- Main Branch, near Clock Tower.
- Dalanwala Branch.
- Regional Office of the Allahabad Bank, near Clock Tower.

2-Primary visit

The primary visit was done for meeting the staff and officers and discussing various issues for formulating the questionnaire.

3-Collection of primary data

Primary data for this study was collected mainly through questionnaires to study the employee's perception on HRM practices. These questionnaires were designed in consultation with experts of the FRI University.

Senior and middle level employees in these branches and regional offices were selected as respondents on random basis and were requested to fill them. Informal interviews with the employees have also generated primary data for this study and helped in understanding the perception of the employees and give suggestions for HRM practices in these banks.

4-Collection of secondary data

Secondary data for this study has also been generated through the following sources-

- Published data such as annual reports.
- Unpublished reports.
- Web sites.

5-Analysis of data

The data collected as a part of this research study has been analyzed by using standard statistical software and presented in the following chapter. Detailed conclusions have been arrived at on the basis of this and form part of the conclusions of this study. These would be of help to the banks in particular and management students in general.

QUESTIONNAIRES AND ANALYSIS OF DATA

The questionnaire containing 25 questions each with multiple choices was developed on after consulting various experts in FRI University Dehradun. The analysis of the data of these was done by using standard statistical software in the statistical laboratory of the FRI University.

The analysis has been done on percentage terms and is based on the following groupings:

- I- Gender of the respondents.
- II- Qualifications of the respondents
- III- Length of service of the respondents

RESULTS AND CONCLUSIONS

The main results and conclusions of this study have been summarized in the following text.

- 1- Human resource management is important for the day to day functioning of the Allahabad Bank and has a direct relation in meeting its overall objectives.
- 2- Regular internal and external trainings are conducted in the bank and these are contributing to improving HRM practices.
- 3- The level of participation of employees in the decision making process is less than satisfactory in the Allahabad bank.
- 4- Employment or job security in the bank is not linked to job security.
- 5- The Performance Appraisal System, one of the major inputs for HRM in the bank is not satisfactory and neither is it result oriented.
- 6- Internal career opportunities are available in the bank.

- 7- Well designed work targets for employees are available in Allahabad Bank.
- 8- The level of career development guidance is below satisfactory in the bank.
- 9- In Allahabad Bank postings are linked with knowledge, skills and abilities of the employees.
- 10- HRM and strategic issues help in achieving the objectives; employee motivation is important for improving the productivity and employee participation in decision making is important for increasing productivity.
- 11- In Allahabad Bank the effect of human resource policies and strategies on business management needs of the bank is lacking.
- 12- In Allahabad Bank, the level of Human Resource Management inputs provided by the bank for improving quality is less than satisfactory.
- 13- The bank management works with unions and associations for developing and implementing Human Resource Management strategies.
- 14- There is no separate Human Resource Management policy.
- 15- The Human Resource Management policy has changed over the last five years.
- 16- Team work is encouraged in this bank.
- 17- The management gives importance to results rather than on process and techniques which is a good sign for the success of HRM
- 18- The salary structure is not based on performance of the employees, though this aspect needs to be brought in as a part of HRM.
- 19- Human Resource Management strategies need to be dynamic in nature and should change from time to time.

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