

A Comparative Study of HRM Practices in Indian Overseas Bank and HDFC Bank in Tirunelveli 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 Tirunelveli District. This study covers selection, recruitment and work environment of the employees of both Indian Overseas Bank and HDFC Bank.

Keywords:

Introduction

Human resources are the most important assets in the banking sector. In the competitive environment, every bank needs to recruit the people to carry out the goals of the banks. Recruitment and selection are basic and the most important functions of human resource practices. Recruitment represents the first contact that a bank has with potential employees. Selection is the part of recruitment function. It starts immediately after recruitment. It is the process of choosing the most suitable persons out of all applicants. Work environment is the surrounding conditions in which the employee operates. It is the quality of employees' workplace environment that has the most influence on the level of motivation and performance of the employees.

Statement of the problem

The banking industry in India is dynamic. The success of any bank depends on how effectively human resources are managed and utilised. Well-planned recruitment can lead to greater productivity, better wages, high morale, reduction in labour turnover and better reputation. On the other hand, a wrong selection leads to heavy cost for the banks in terms of money, time and efforts. A positive work environment leads to higher levels of job satisfaction and motivation of the employees. It also leads to improve the performance of the employees.

In this study, the researcher studies the existing HRM practices like recruitment, selection and work environment of the employees in Indian Overseas Bank and HDFC Bank in Tirunelveli District. The aim is to assess the effectiveness of the various facets of selection, recruitment and work environment.

Importance of the Study

The study is conducted mainly to find out the Methods and Effectiveness of recruitment, selection, and work environment in selected public and private sector banks in Tirunelveli District. The role of banks is pivotal for economic development and growth of the country. Therefore, a well organised human resource management practices such as recruitment, selection and work environment is essential for the success of banking sector.

Objectives of the Study

- To analyse the effectiveness of recruitment function in Indian Overseas Bank and HDFC bank.
- To assess the impact of selection process in Indian Overseas Bank and HDFC bank.
- To study the outcome of work environment 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 recruitment function.

2. There is no significant difference between the opinion of Public sector bank Employees and Private sector bank Employees towards selection process.

3. There is no significant difference between the opinion of Public sector bank Employees and Private sector bank Employees regarding work environment.

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 Thisayanvilai, Tirunelveli and Tenkasi in Tirunelveli 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.

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	15	60	20	80
Female	10	40	5	20
Destination				
Clerk	16	64	13	52
Officer	3	12	6	24
Asst. Manager	3	12	4	16
Manager	3	12	2	8
Age				
21 – 30	5	20	13	52
31 – 40	6	24	5	20
41 – 50	10	40	4	16
Above 50	4	16	3	12
Educational Qualification				
S.S.L.C	2	8	1	4
H. S. C.	4	16	2	8
UG	7	28	8	32
PG	8	32	5	20
Professional	4	16	9	36
Marital Status				
Married	20	80	15	60
Unmarried	5	20	10	40

The above table 1 exhibits that among the 50 respondents, Male employees are higher than Female employees 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 (52%) are between the age group of 21 – 30 years. Most of the respondents (32%) are Post graduates in Indian Overseas bank and professionals (36%) 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 recruitment scale are given below,

Table 2.1 Recruitment in Indian Overseas Bank and HDFC Bank

Particulars	Type of Bank	N	Mean	Std. Deviation	t value	P value
Recruitment process	Indian Overseas Bank	25	3.97	.465	3.051	.091
	HDFC Bank	25	4.15	.997		
Quality of Recruitment	Indian Overseas Bank	25	3.25	.926	3.569	.091
	HDFC Bank	25	4.11	.721		
Methods of Recruitment	Indian Overseas Bank	25	3.35	.966	6.534	.021
	HDFC Bank	25	3.63	.875		
Communication in Recruitment	Indian Overseas Bank	25	3.38	.821	.293	.603
	HDFC Bank	25	4.11	.605		
Evaluation of Recruitment	Indian Overseas Bank	25	3.61	.856	.189	.987
	HDFC Bank	25	4.15	.758		
Overall Recruitment score	Indian Overseas Bank	25	3.512	.807	-2.913	.021
	HDFC Bank	25	4.031	.791		

Table 2.2 is prepared by assigning Strongly Agree (5) to Strongly Disagree (1). The Mean and Standard Deviation of the scores of all the selection scale are given below,

Table 2.2 Selection process in Indian Overseas Bank and HDFC Bank

Particulars	Type of Bank	N	Mean	Std. Deviation	t value	P value
Fair and transparent	Indian Overseas Bank	25	3.65	.719	1.503	.232
	HDFC Bank	25	4.03	.679		
Usage of valid and standardised tools	Indian Overseas Bank	25	3.55	.659	1.091	.305
	HDFC Bank	25	4.03	.742		
Merit is the main criteria	Indian Overseas Bank	25	3.59	.719	.953	.341
	HDFC Bank	25	4.07	.659		
Valuation methods is comfortable	Indian Overseas Bank	25	3.90	.879	9.561	.005
	HDFC Bank	25	4.02	.511		
Selection process is more lengthy	Indian Overseas Bank	25	3.33	.978	2.152	1.49
	HDFC Bank	25	4.29	.754		
Overall Selection score	Indian Overseas Bank	25	3.604	.7908	-3.209	.005
	HDFC Bank	25	4.088	.669		

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 Work environment in Indian Overseas Bank and HDFC Bank

Particulars	Type of Bank	N	Mean	Std. Deviation	t value	P value
Working hours is satisfactory	Indian Overseas Bank	25	2.59	.837	.369	.538
	HDFC Bank	25	3.22	.842		
Cordial relationship between superiors and subordinates	Indian Overseas Bank	25	2.81	.918	1.134	.302
	HDFC Bank	25	3.01	1.159		
Fair and equal treatment of all employees	Indian Overseas Bank	25	3.59	.465	8.339	.007
	HDFC Bank	25	3.79	.797		
Health, wealth and safety measures are satisfactory	Indian Overseas Bank	25	3.25	.751	.021	.902
	HDFC Bank	25	3.75	.825		
Physical environment is satisfactory	Indian Overseas Bank	25	2.87	1.201	1.218	.258
	HDFC Bank	25	3.21	.779		
Overall work environment score	Indian Overseas Bank	25	3.022	.834	-2.312	.031
	HDFC Bank	25	3.396	.8804		

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 recruitment.

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

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

Suggestions

Indian Overseas bank

- To improve the quality of recruitment process.
- To come forward to arrange the fair and transparent selection process.
- 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 health, wealth benefits and safety measures to motivate their employees.

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

Conclusion

Better recruitment and selection strategies result in improved organisational outcomes of banking sector. Recruitment and selection process is the important practice for human resource management. 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. 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.

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