

Fine tuning human resources management system in public sector banks in India-challenges and strategies

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ABSTRACT

Human Resources Spectrum of public sector banks in India needs urgent revamp in the light of far reaching changes and challenges evolving in banking landscape of our nation. The pace of implementation of HR reforms recommended by Narasingam committed is slow in the face of vehement opposition by trade unions in this sector. Yet, some reforms have been attempted on this front. In this backdrop, this write up highlights the various challenges facing public sector banks in human resources segment and strategies required to successfully meet these challenges.

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Human Resources Management (HRM) is one of most important aspects overlooked in the Indian corporate sector in the country till the recent past, while a small number of the multi-national companies were practising it a professional way in our country. With the growing realization of importance of HRM in the corporate sector, it has grown into an important activity. Now the head of HRM is an important member of senior team of any thriving business. The banking sector has metamorphosed from institutions primarily involved in deposit mobilization and trade finance into a complex financial super market dispensing diversified financial services like personal banking, corporate banking, share trading, automobile financing, housing finance, foreign exchange dealings, factoring, portfolio management, leasing and so on. The performance of aforesaid specialized functions demand effective, efficient, and educated talented man power. Fabulous corporate goals are translated into realities with the human element playing a more predominant role than the other factors of production in result achievement. Some of the progressive banks like ICICI, HDFC, HSBC and so on have been

leveraging knowledge workers at their command for turning in an impressive business performance in the banking sector. Contemporary banks require a range of man power for its business operations. In other words, it may require reasonably educated security guards on the one end and highly educated, trained and experienced professional as head of corporate finance at the other. For many years, human resources were managed like other physical assets as furniture, equipment and other appliances. Personnel departments were primarily engaged in leave approval, handling staff loan, conduct of enquiry and so on. Recruitment was a routine affair done in a mechanical way irrespective of real value of hires to the institution. Liberalization, technological advancement, advent of newer products, hectic competition in financial market, computerization etc. have been changing the face of banking industry in India. Banks are struggling to attract and retain the right talent to cope with challenges of contemporary banking. Similarly, traditionally followed pay scales with predetermined increment salary slabs, time based fringe benefits are no more attractive to new incumbents who believe in immediate compensation to their efforts. Every body in the bank wants to work in the preferential department, preferential location, city of his own choice and the boss of his liking. An administrative deviation from any of these results in lower job satisfaction. What has been over looked is the morale boosting of employees. Smart banks have realized the need and put in place various motivational tools like award, reward, conference, sports events, sponsored travel, dinners and

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