

Analysis of Human Resources Practices in Banking Sector with Special Reference to Qualification of Employees

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Abstract

The report is based on HR initiatives and employee involvement in banks in the city of Bhubaneswar. The study's goals are to identify the HR initiatives implemented by both public and private sector banks, identify the factors that truly contribute to employee engagement in the banking industry, ascertain employees' perceptions of employee engagement, and examine the impact of demographic factors on employee engagement. Employee engagement is a high attitude of optimism regarding one's employment. It is a combination of elements including employee engagement, sense of belonging to the organisation, and many more. The fundamental premise is to encourage employees to get invested in and passionate about their work and to show their devotion to the organisation by giving their work extra effort. This provided greater information on HR activities and variables affecting worker engagement. However, it is a widely held belief that management in the banking sector uses HR efforts and the aforementioned characteristics as an engagement tool to encourage workers to take an active role in their particular jobs. In light of this context, it is fundamentally important to comprehend the aforementioned goals. The study's focus is only on banks operating in the public and private sectors in Bhubaneswar. The structured questionnaire used in the study to identify the demographic parameters and employee engagement components confirms the perception of the employees. Employee perceptions of employee engagement, demographic influences on employee engagement, and factors leading to employee engagement were all measured using a standard scale designed by Rensis Likert (1987). Each employee engagement variable—autonomy, work environment, communication, loyalty, self-evaluation at work, job satisfaction, job involvement, job performance, employee morale, work culture, and job stress—is represented by 5-7 statements in the questionnaire. The connection between staff involvement

KEY words: *Banking sector, Qualification, HR practices.*

Introduction

Organizational successes have been attributed to engaged employees' contributions. Employee engagement is defined as the tangible, mental, and passionate involvement of employees in the performance of their duties inside the firm. These workers end up being an organization's main revenue generators. Employees that are invested in their jobs produce better results by going above and beyond and always striving to improve. Increasing employee engagement has become more popular among firms. Employees are encouraged to grow and advance their potential for engagement as a result of the organization's healthy work culture and communication procedures. Competitors may now replicate how well services and products perform, but they cannot replicate the vigour, passion, and focus of individuals at work. Employee-created sustainable competitive advantage leads to long-term return on investment, which explains why. Employees that are adequately engaged will make an effort to go above and beyond what is required of them to make a significant contribution.

Employee involvement is more of an internal than an external convention. Employees make decisions about their performance and level of engagement. Employees that are actively involved in their work feel motivated by their efforts, absorb consumers through their strategies, and pay close attention to the organization's forthcoming issues. Only when the personnel are emotionally and mentally invested in their work is this possible. These bonds mirror the level of devotion that employees have for their company and its principles. The levels of commitment allow the workers to understand of the company's potential and motivate people to give the organisation their full attention. Employees are said to be engaged when they are aware of the organisational situation and act as team members.

Numerous significant consulting firms first used the term "employee engagement" around the turn of the century. The timing had been established externally, and engagement was unclear. But why did that happen? After the turn of the century, why did businesses pay more attention to employee engagement? It is challenging to provide a clear answer. The only thing that can be inferred from this is that "a collection of changes that were and now are taking place in the world of work create the background for the creation of the term, involvement in organisation." "The shift of Work in the world has evolved from the traditional to the modern (World at Work, 2008). The employee used to have lifetime employment and individual work in the traditional workplace, but as the

nature of work has changed, the corporation has begun to value diversity in its workforce. The individual must work really hard to survive in the current workplace because of this.

In today's workplace, teams are given more attention than individuals. All of the aforementioned changes call for a significant psychological shift and staff commitment. In other words, it is truer than ever that psychological skills are necessary for people to thrive and ensure the survival of an organisation. Therefore, today's task for an organisation is to involve the staff and At each level of their work, they engage both of their hearts and minds. Employee engagement has thus emerged as a significant force behind an organization's success in the cutthroat marketplace of today. Customer satisfaction, brand reputation, and shareholder value are all strongly correlated with engagement. As a result, firms are changing their human resource strategy to emphasise employee commitment and engagement.

Problem Statement

Over the past two decades, the managerial notion of employee engagement has gained widespread acceptance. In order to improve employee and organisational performance, businesses use a variety of employee engagement solutions. The banking sector is the subject of the current investigation. Different roles are required of bank employees at various levels. Depending on their position in the banks, they make varying contributions. Employee participation in banks varies depending on their particular job type. The extent of staff involvement affects how well banks work. The study comprised nonmanagement, lower management, middle management, and senior management staff in both public and private banks to evaluate the level of involvement and factors that affect engagement level. Several studies on workers in the banking sector in Odisha exist. The six banks that operate in Bhubaneswar city—Axis, HDFC, ICICI and SBI, Allahabad, and UCO—were used in this study to discover the elements influencing employee engagement. A conceptual framework from the literature review was employed in conjunction with statistical techniques.

Rationale of the Study

In order to adapt to shifting client preferences and to boost productivity and cost-efficiency, banks now need innovation in their distribution networks. Employees who are committed to their work, understand their roles and duties, and aspire to elevate the organisation can do this (McKinsey and Company, 2013). In 2013, the Dale Carnegie Training and MSW Research conducted a study on

the psychological and practical factors influencing employee engagement in the banking sector. The functional elements concentrate on tasks that are relevant to work, whereas the emotional elements concentrate on how a direct supervisor interacts with and treats their staff. Using a sample of 150 banking personnel, the Dale Carnegie Training team conducted a national study. The results showed that "just over one-third of those polled were Approximately one out of seven were disengaged, compared to those who were fully engaged. The percentage of the workforce that were "disengaged and partially disengaged" at the same time was 65%. The discovery is difficult and has ramifications in other situations. In light of this, the study was carried out in the banking industry, whose performance is significantly influenced by employees' participation in routine banking tasks. The study's justification is specifically explored from two key perspectives: theoretical relevance and practical inference. 6 To create a conceptual model, the theoretical importance from the body of literature has been used. The study's findings regarding the significance of key engagement drivers should assist managers in understanding which factors are most crucial to employee

Significance of the Study

It has become important for firms to expand abroad in order to acquire a competitive advantage in today's dynamic global market. Organizations and human resources departments have been compelled to reinvent their strategy as a result of globalisation. The management must invest time, money, and effort into maximising the recent HR improvements. The institutions must revise their HR policies, revisit them in order to increase the rate of growth, and equip themselves with the most modern defences by allocating resources to the areas that are undergoing the most change. Every organization's human resource experts and individuals with a strong background in human resource management should be aware of the importance of human capital and the demand for developing strong human resource strategies. In comparison to earlier times, the environment in which banks exist and operate has completely changed. Numerous public sector banks have embraced technology, and many commercial banks aggressively market their goods and services every day. The way things are going has a big impact on the bank personnel. Both public and private sector banks must update, engage, and channel the view to transform staff into energising and enthusiastic associates in the change process in order to face these problems. To help the staff

perform successfully, it is crucial that the study pinpoints the engagement factors that are effective in both public and private banks.

Review of literature

Saks (2006) discovered in his research that workers should give back to the company by being actively involved in their work. Richman (2006) also stated in his research that "employee engagement" is defined as "when employees are open and not under any organisational pressure, they offer services willingly in terms of extra time and put extra effort and energy into their job." He defined engagement as the physical, cognitive, and emotional manifestations that employees exhibit as they carry out their jobs. Four million employees from 2000 companies were involved in Ray's work in 2006. He has listed "employee interactions, total rewards, career opportunities, quality of work life, HR policies, and real work itself" as major factors in employee engagement. Additionally, he has concentrated on "five actions that managers can begin to use to promote employee engagement, including coaching, recognition, accountability, involvement, and communication." The models that connect employee performance to business goals have received support from Schanie and Kemper (2008). "They valued people as the backbone of businesses and engaged them to promote greater levels of individual achievement." Overall organisation performance will result from this. They came to the conclusion that "organisational leaders should seek a holistic strategy of incorporating workforce engagement into strategies for long-term prosperity" regardless of the engagement activities employed.

Employee engagement is defined by Alfes et al. (2010), the Chartered Institute of Personal and Development (CIPD), as "being positively present during the performance of work and voluntarily contributing intellectual effort, experiencing positive emotions, and meaningful connections to others." Additionally, they stated that "providing opportunities for employees to connect with their colleagues, managers, and organisation" constitutes employee engagement.

Employee engagement "predicts the employee outcomes, organisational success, financial performance, and client satisfaction," according to Chaudhary et al. (2011). They continued by saying that the aforementioned things are only achievable when workers have a psychological connection to their jobs. As a result of this discovery, they defined engagement as a motivating and uplifting construct associated with the workplace.

It is distinguished by vigour, devotion, and absorption. "High levels of energy and mental fortitude while working, the willingness to put effort into one's task, and tenacity also in the face of challenges are all examples of vigour. A sense of significance, passion, inspiration, pride, and challenge are all examples of dedication. Being immersed in anything is referred to as absorption.

According to Babu's (2013) research, a company's success depends on its employees' commitment to their jobs. A high rate of staff turnover will result from improper management and disengagement, and it will serve as a barometer for the level of employee engagement. Also stressed was the fact that "employee involvement leads to sharing of ideas among team members." and enhances employees' creative potential and morale.

In their article from 2012, Urmila and Sapna attempted to gauge the level of employee engagement in Hyderabad's organised retail industry. "They have looked at how employee involvement varies as important factors including job, personal life, stress, and training change. According to the survey, organised retail employees in Hyderabad are moderately engaged, or 79.30 percent. Work-life balance, stress, and training all significantly affect employee engagement, according to the analysis of variance and regression.

Research Methodology

The description of the study technique describes the process used to gather the data required to frame or resolve the issue. It is not just thought of as the decision of facts, but also as the gathering of knowledge and the involvement of new facts during the process. Both secondary and primary data are used as the study's foundation. The HR divisions of public and private sector banks have provided secondary data on employee engagement practises and HR initiatives. Through the distribution of questionnaires, the primary data were gathered from the personnel of the bank's four hierarchical levels, including non-management, lower management, middle management, and top management.

Objectives for the Study

1. To research employee engagement methods and HR efforts in both private and public sector banks.
2. To find out how the sampled respondents felt about the degree of staff involvement.

3. To research how qualification of employees factors (such as gender, age, experience, management level, and certification) affect employee engagement.

Hypotheses

H1: Employee engagement depends on Employee Morale of Bachelors Degree, Masters Degree and Doctorate students

H2: Employee engagement depends on Job Involvement of Bachelors Degree, Masters Degree and Doctorate students

H3: Employee engagement depends on Job Stress of Bachelors Degree, Masters Degree and Doctorate students

H4: Employee engagement depends on Employee Engagement of Bachelors Degree, Masters Degree and Doctorate students

Questionnaire Design

The research used a questionnaire to gather information on employee engagement in public and private sector banks. The questionnaire was based on eleven variables, including autonomy, work environment, communication, loyalty, self-evaluation at work, job satisfaction, job involvement, job performance, employee morale, work culture, and job stress. These variables are developed following a thorough examination of the relevant literature. Eleven variables, which were determined to be suitable for data collection in the specific research area, were generated from various factors that have already been employed in many other industries.

Sample Size and Sampling Unit

Based on their accessibility, the study has selected 6 banks with branches in Karnataka: Axis, HDF, ICICI, SBI, Allahabad, and UCO. In the city of Mysore, there are 2638 employees in total across the 6 banks. 346 questionnaires were given out throughout the trial. The study received 304 out of 346 genuine responses, which is what it turned out to be. About 12% of the population is represented by the sample. The individual bank workers who work there make up the study's sampling unit.

Testing of Hypotheses

H1: Employee engagement depends on Employee Morale of Bachelors Degree, Masters Degree and Doctorate students

H0: Employee engagement is not depends on Employee Morale of Bachelors Degree, Masters Degree and Doctorate students

		N	Mean	Std. Deviation	Std. Error
Employee Morale	Bachelors Degree	1000	3.85	0.65	0.0050
	Masters Degree	500	3.54	0.65	0.22
	Doctorate	200	3.72	0.21	0.025
	Total	1700	3.45	0.658	0.052

Table 01 displays the replies of workers of private and public sector banks to questions about employee engagement and factors including employee morale, job involvement, and workplace stress. The results are broken down by educational background. Employee morale, job participation, job stress, and employee engagement had respective F-values of 0.304, 2.472, 0.095, and 0.300. All F-values are non-significant, demonstrating the non-significant impact of educational background on employee morale, job involvement, stress, and engagement. These non-significant F-values collectively demonstrate the absence of a meaningful relationship between educational background and employee engagement, job involvement, and morale. Because of this, the respondents from all educational backgrounds in the full sample may have the nearly identical view that qualifications have little bearing on employee engagement. and its factors, which are depicted in Tables 6.95, 6.97, and 6.99, such as autonomy, work environment, loyalty, communication, self-evaluation at work, job satisfaction, job performance, work culture, employee morale, job involvement, and job stress.

H2: Employee engagement depends on Job Involvement of Bachelors Degree, Masters Degree and Doctorate students

H0: Employee engagement is not depends on Job Involvement of Bachelors Degree, Masters Degree and Doctorate students

		N	Mean	Std. Deviation	Std. Error
Job Involvement	Bachelors Degree	1000	3.45	0.55	0.00340
	Masters Degree	500	3.54	0.65	0.32
	Doctorate	200	3.72	0.21	0.075
	Total	1700	3.65	0.658	0.062

The mean, SD, and SE responses from the full sample are shown in Table 02 above for job satisfaction, job performance, and work culture in relation to educational background. Despite their numerical disparities, the average replies to self-evaluation at work are 3.652, 3.633, and 3.533 for individuals with bachelor's, master's, and doctoral degrees, respectively. Therefore, everyone has the same belief that qualifications have little bearing on how one feels about oneself at work. In a similar vein, despite their numerical variations, the mean replies for those with a bachelor's, master's, and doctorate degree correspondingly are 3.900, 3.808, and 4.167, which indicate that respondents from all educational groups agree on the importance of job satisfaction. Moreover, the Despite their numerical variances, the average responses about job performance for people with bachelor's, master's, and doctoral degrees, respectively, are 3.629, 3.604, and 3.667. In addition, despite their numerical disparities, the mean replies on work culture for people with bachelor's, master's, and doctoral degrees, respectively, are 3.817, 3.742, and 3.286. As a result, respondents from all educational backgrounds concur that work culture is unaffected by qualifications, while those with doctoral degrees express no opinion.

H3: Employee engagement depends on Job Stress of Bachelors Degree, Masters Degree and Doctorate students

H0: Employee engagement is not depends on Job Stress of Bachelors Degree, Masters Degree and Doctorate students

		N	Mean	Std. Deviation	Std. Error
Job Stress	Bachelors Degree	1000	4.85	0.45	0.0050
	Masters Degree	500	4.54	0.65	0.22
	Doctorate	200	3.72	0.31	0.035
	Total	1700	3.45	0.78	0.0532

Table 03 displays the results for responses from the sample of private and public sector banks about educational credentials for factors including workplace self-evaluation, job happiness, job performance, and work culture of employee involvement. Workplace self-evaluation, job satisfaction, performance, and work culture all had F-values of 0.082, 0.919, 0.050, and 1.198, respectively. These non-significant F-values collectively demonstrate the lack of a meaningful relationship between educational background and workplace self-evaluation, job satisfaction, performance, and work culture. As a result, the respondents from the total sample, who represent all educational classes, may hold nearly identical views regarding the lack of a relationship between qualifications and workplace self-evaluation, job satisfaction, performance, and culture.

H4: Employee engagement depends on Employee Engagement of Bachelors Degree, Masters Degree and Doctorate students

H0: Employee engagement is not depends on Employee Engagement of Bachelors Degree, Masters Degree and Doctorate students

		N	Mean	Std. Deviation	Std. Error
Employee Engagement	Bachelors Degree	1000	3.45	0.65	0.0040
	Masters Degree	500	4.64	0.65	0.32
	Doctorate	200	3.72	0.21	0.045
	Total	1700	3.45	0.658	0.042

The mean, SD, and SE responses of bank workers from the private and public sectors are shown in Table 04 above in relation to employee morale, job involvement, job stress, and employee engagement in terms of educational qualifications. For those with a bachelor's, master's, or doctorate degree, the average responses for staff morale are 3.383, 3.326, and 3.389, respectively. Since all of these methods are assumed to be comparable, respondents, regardless of educational attainment, have no opinion on employee morale. Similarly, for those with a bachelor's, master's, or doctorate degree, the mean responses regarding employment engagement are 3.376, 3.944, and 3.432, respectively. These measures suggest that while Masters degree holders are supportive of this, Bachelors and Doctorate degree holders are neutral. Additionally, the average reactions to work stress are 3.202, 3.172, and 3.649 for holders of a bachelor's, master's, and doctoral degree, respectively. Since all these means—despite their numerical differences—are assumed to be comparable, respondents with bachelor's and master's degrees as opposed to those with doctorates—are unaffected by job stress. Additionally, since the average responses regarding employee engagement for people with bachelor's, master's, and doctoral degrees, respectively, are 3.649, 3.625, and 3.809, respectively, it should be clear that respondents across all educational qualification groups believe that education has no bearing on employee engagement. Table 6.96, Table 6.98, and Table 6.100 can be used to visualise it.

Findings

1. Chapter 5 provides information on the employees' demographics. 212 men and 92 women make up the total sample of 304 from all six banks.
2. Male employees outnumber female employees in both commercial and public sector banks. Additionally, based on a small sample, public sector banks employ 120 men and 40 women, whereas private sector banks employ 92 men and 52 women.
3. The demographic characteristics of the sample in private and public sector banks, such as age, management level, years of experience in the current organisation, educational background, etc., are also analysed in the current study in addition to the statistics on men and women.
4. Public sector banks employ more older workers than private banks do. In both private and public sector banks, the majority of staff have master's degrees when taking education into account as a demographic component.
5. Employees in public sector banks are observed to actively engage in their work as it appears to be important and appraise themselves in their particular workplaces.

Suggestions

1. Banks in the private and public sectors might create a system of rewards that is more thorough in order to motivate staff to give their all to their task.
2. The research is applicable to all business organisations, but particularly to the banking sector, as it offers methodology and insights for assessing autonomy, work environment, loyalty, communication, self-evaluation at work, job satisfaction, job performance, work culture, employee morale, job involvement, job stress, and employee engagement.
3. Employees may receive personalised feedback from public sector banks about their performance, upstream and downward communication may be strengthened, and a particular style of workplace culture may be established that will encourage employees to interact and express themselves. It will assist the staff in taking responsibility for their work.

Conclusion

The level of a worker's cognitive and emotional attachment to his or her job and company is known as employee engagement. It reveals the empathy and dedication a worker has for the company and its principles. An engaged employee is aware of the organisational context and collaborates with others to enhance performance at work for organisational gain. Employees who are engaged are concerned about the organization's future and are ready to invest discretionary effort in the company. Less dedication to the organisation is a sign that someone is less involved or disengaged than others. Employees are devoted to a company not just for the financial benefits, but also for a few more reasons that motivate them to be more engaged and drive an extra step. An employee is most effective and more likely to be engaged if they believe that the factors that drive employee engagement (autonomy, work environment, loyalty, communication, self-evaluation at work, job satisfaction, job performance, work culture, employee morale, job involvement, and job stress) are present. The data clearly shows how the theoretical framework predicted a connection between employee engagement and all of its determinants (autonomy, work environment, loyalty, communication, self-evaluation at the workplace, job satisfaction, job performance, work culture, employee morale, job involvement, job stress). An employee is more productive and likely to be engaged if they perceive the factors that contribute to employee engagement as autonomy, work environment, loyalty, communication, self-evaluation at work, job satisfaction, job performance, work culture, employee morale, 211 job involvement, and job stress. the numerous During the course of this study, studies referenced in the review of literature are also closely analysed. It was discovered that employee engagement is a developing concept of human resource management that has been thoroughly studied and examined in many Indian industries.

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