

Impact of Education on HRM Practices in Banking Sector

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Abstract

The purpose of this paper is to study the impact of education on HRM Practices applied in the organisation. Human resource management is an approach which is effective to manage the employees so that they can perform their job effectively and the organisation achieves a competitive advantage in the market. Education plays a very important role. The present study identifies that highly qualified employees are particular about the facilities they are getting. Employees at higher level feel there is no significant difference in the HRM Practices but at lower level the employees feel that there is a significant difference.

Keywords: HRM, Education practices

Introduction

Human Resource management

Any practice that deals with enhancing competencies, satisfaction, commitment and culture building can be considered an HR practice. Good Human Resource practices do make a difference in the functioning of the organization. Good Human Resource practices are those that contribute to one or more of the three C's: Competencies, Commitment and Culture. They enhance internal capabilities of an organization to deal with current or future challenges to be faced by an organization. Good Human Resource practices also promote the wellbeing of the employees of the organization. The commitment and motivation built through good Human Resource practices can lead to hard work and can have a very good influence on the

organization. This system, comprising of good HR practices can create a sustainable and lasting capability of the organization to manage itself internally and face external challenges Human Resource Management (HRM) involves all management decisions and practices that directly affect the people, or human resources, who work for the organization. There is a growing body of evidence supporting the relationship between Human Resource Management (HRM) practices and perceived benefits in organizations. Most of these studies have been limited only to large enterprises and carried out in western societies.

Functions of HRM Includes:

- i. Managerial Functions*
- ii. Operative Functions*

Managerial Functions: The managerial functions of human resource management are as follows:

- i. Planning
- ii. Organising
- iii. Directing
- iv. Controlling.

Operative Functions

The operative functions of human resource management consist of the following:

- i. Recruitment/ Hiring
- ii. Job Analysis & Design
- iii. Performance Appraisal
- iv. Training & Development
- v. Salary Administration
- vi. Employee Welfare
- vii. Labor Relations
- viii. Compensation

Review of Literature

Mustafi.Mohitul et al.(2016), Their study reveals that job analysis, human resource planning, training and development, compensation, and industrial relation significantly and positively associated with overall human resource practices in private commercial banking sector in Bangladesh.

Siddika.Sultan et al.(2017), The purpose of this study is to examine the impact of HRM Practices on perception of the employees of this sector. The study reveals that there is positive relationship between HRM Practices and Job satisfaction in private sector bank in Bangladesh.

Shivakumar.B et al.(2012), This study is an attempt to investigate the extent to which Commercial Banks of Karnataka differ on aspects of human resource management practices and the key Human Resource Practices contributing to employee productivity from a sample of 184 respondents from three commercial banks of Bangalore (one foreign sector, one private sector and one public sector bank).

Mathur et. al (1996), in a study on work culture try to differentiate the internal work culture of public and private sector organizations in India. He examined the how the external socio-cultural environment and enterprise variables influence the internal work culture, which in turn has an impact on human resource management practices. He resulted that as compared to public sector organizations, the internal work culture of private enterprises put greater stress on internal locus of control, future orientation of planning, and employee participation in management and thereby result in better performance. It was further point out that HRM Practices in private sector utilized more effective motivational techniques like feedback, performance based reward, supervisory control, autonomy etc as compared to public sector.

Venkateswaran (1997), conducted a study entitled —A note on HRD Climate revealed that early identification of human resource potential and development of their skill are the main tasks of the HRD department. The study based on the response of 132 executives of large public sector unit of engineering organization. The study proves the existence of favourable HRD climate in the organization. The results of the study revealed that the HRD dimensions increases the employee interest in the work place thereby eliciting a higher level of performance.

Rao and Abraham (1986), stated in their research paper entitled —HRD Climate in Indian Organizations that human resource is essential for making an organization dynamic and growth oriented. The top-level executives have ultimate responsibility in creating a healthy climate and providing adequate training, which is essential for the overall development of employees. They hold the view that holds the view that existence of development climate is a pre-requisite for facilitating HRD system in the organization. Development climate constitute three variables:- general climate, HRD mechanisms, the OCTAPAC culture. In general climate, human resource development is given high importance by top & line managers. In this supportive climate is facilitating the good personal policies and positive attitude toward development. This climate include positive attitude of top management & line managers towards practicing HRD in the organization

RESEARCH METHODOLOGY

Research Problem

This study finds the Impact of Education on HRM Practices in Banking Sector. The study especially aims at the objectives:

Objectives: To study the Impact of education on HRM Practices Felt By the employees.

Hypothesis: *On the basis of above objectives following hypothesis have been formed.*

- (1) H₀₁: There is no significance difference between public sector and private sector bank employees with reference to Post Graduate Qualification towards HRM Practices.**
- (2) H₀₂: There is no significance difference between public sector and private sector bank employees with reference to Under Graduate Qualification towards HRM Practices.**

Sample:

Sampling Unit: The sampling unit of the study consisted employees working in the public and private sector banks in M.P.

Sampling Size: The sample size is $n = 200$ respondents.

Sampling Method: Random sampling method was adopted for the study.

The Tool for Data Collection:

The data for the study have been collected through a well-structured questionnaire. The questionnaire consists of statements relating to the HRM Practices and the QWL. The questionnaire consists of 3 segments, 1st statement is related to the HRM Practices , 2nd statement is related to the QWL and 3rd segment have demographic variable of the respondent like sector, age, gender, marital status and etc.

Tools for Analysis:

Z-Test is used for the analysis of data.

$$z = \frac{(\bar{x}_1 - \bar{x}_2) - (\mu_1 - \mu_2)}{\sqrt{\frac{\sigma_1^2}{n_1} + \frac{\sigma_2^2}{n_2}}}$$

Where as

\bar{x}_1 = mean of the sample one

\bar{x}_2 = mean of the sample two

μ_1 = Hypothesized mean for sample one

μ_2 = Hypothesized mean for sample two

σ_1 = Standard deviations of sample one

σ_2 = Standard deviations of sample two

n_1 = Number of respondent for sample one

n_2 = Number of respondent for sample two

Standard value of $Z= 1.96$.

Data Analysis And Interpretation

The analysis and interpretation of collected data:

Data have been analyzed in two steps:

First choices have been calculated.

Through statistical procedure covering demographic variables data analysis has been processed to test hypothesis.

Exhibit: 4.19.

Testing the level of significance difference between public sector and private sector banks employees with reference to Qualification (Post Graduate & Under Graduate) towards HRM Practices

Hypothesis	Particulars	Public Sector		Private Sector		Z	5%level of significance	Status of Hypotheses
		M1	SD2	M2	SD2			
H_{01}	HRM Practices PG	3.744	0.163	3.745	0.133	-0.035	1.960	Accepted
H_{02}	HRM Practices UG	3.760	0.182	3.918	0.244	-2.813	1.960	Not Accepted

Exhibit: 4.19. Testing the level of significance difference between public sector and private sector banks employees with reference to Qualification (Post Graduate & Under Graduate) towards HRM Practices.

Exhibit: 4.19. show that H_{01} has been accepted & H_{2h0a} as not been accepted.

In hypothesis H_{01} , the mean value of the public sector banks employees (3.744) is slightly less than the mean value of private sector banks employees (3.745) with reference to post graduate employees towards HRM Practices, and there is difference in the standard deviation of the public sector banks employees (0.163) is more than the private sector banks employees (0.133) with reference to post graduate employees towards HRM Practices, and the value of calculated Z (0.035) is less than the significant value of Z (1.96), Hence the hypothesis H_{01} has been accepted.

In hypothesis H_{02} , the mean value of the public sector banks employees (3.760) is less than the mean value of private sector banks employees (3.918) with reference to under graduate employees towards HRM Practices, and there is difference in the standard deviation of the public sector banks employees (0.182) is more than the private sector banks employees (0.244) with reference to under graduate employees towards HRM Practices, and the value of calculated Z (2.813) is more than the significant value of Z (1.96), Hence the hypothesis H_{02} has not been accepted.

FINDINGS

There is no significant difference felt by the employees in the public sector & private sector bank with reference to Qualification (Post Graduate) towards HRM Practices. It shows that employees with higher education feel no difference in HRM policies in public and private sector bank.

There is significant difference felt by the employees in the public sector & private sector bank with reference to Qualification (Under Graduate) towards HRM Practices. It shows that employees with lower education feel difference in HRM policies in public and private sector bank.

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