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Impact on Human Resource Management

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ABSTRACT

HRM is the focal point of all the organizations in the present day competitive environment. It is not possible for any organization to achieve its objectives without proper management of human resources because it focuses on "Human Approach" while managing people in the organization. HRM is a people oriented management policy which deals with acquisition, development, motivation and maintenance of human resource to gain competitive advantage inter-alia HRM is a management function that entails "planning, organizing, directing and controlling of activities relating to the development of employees in terms of getting them to acquire traits or skills required to perform their tasks with ease and enthusiasm". The HR function in banks is not different from that in other organizations. It is a continuous process that seeks to ensure the development of employee competencies, dynamism, motivation and effectiveness, in a systematic and planned manner .as banking industry is also a service industry, human resource is one of the most important factors. Human resource is regarded as blood of any organization without which every other resource is of no use. Management of human resource and management of risk are two key challenges facing banks. Efficient risk management is a failure without efficient and skilled manpower. Banking industry is facing an acute shortage of efficient manpower. Human resources are declining both in quality and quantity. The purpose of this study is to find out the activities and initiatives taken by HDFC bank in recent years. It is an admitted fact that HRM is a gentle approach to ensure that skill of people in an organization should be utilized not only to achieve objectives of the organization but also for growth, development, satisfaction and benefit of its people.

Key Words: Human, Management, Performance, Strategy, Training

1.INTRODUCTION

HRM Present concept of Human Resource Management has emerged out of the synthesis of several thoughts. In the history of the management there is no clear and reliable record to throw light on how and when human resource management came in to being. Regarding its origin, the only thing that can be said is that personnel problems must have its birth at the same time when the people have attempted to work collectively. A new class, called manager class came in to being along with employer- employee class in the wake of industrialization. These managers supervise and control the labourers and also function as intermediaries between employers and employees inter-alia the Trade unions was the result of industrialization. Personnel management was the result of efforts put by managers and industrialists in the Western countries. The evolution of personnel management in India was not for the welfare activities but for redressal of grievances and improvement of recruitment system. Thus we can say that HRM is the process of recruitment, selection of employee, providing proper orientation, providing proper training and, assessment of employee (performance of appraisal), providing proper compensation and benefits. Moreover it is

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the process of maintaining proper relations with labour and with trade unions, maintaining employee's safety, welfare and health by complying with labour laws of concern state or country.

NATURE OF HRM

- It involves procurement, development, maintenance of human resource
- It helps to achieve individual, organizational and social objectives
- Human Resource Management is a multidisciplinary subject. It includes the study of management, psychology, communication, economics and sociology.
- It involves team spirit and team work because HRM is all about people.

2.LITERATURE REVIEW

Dr.B.Mathivanan (2013) studied that the past research studies and literature have clearly revealed that prime challenge for top management and HRM functionaries in banks today is to mould the beliefs and values of their employees in favour of HRM Policy and systems. The unions in banks need to modify the traditional role at the work place and start focusing on development roles like a) Initiation of HRM b) Communication c) Education and Training d) Welfare of bank employees) Role in family vocational guidance and f) research. Computerization may reduce employment possibilities although the aments' experiment of computerization has kept the employment in a particular operation.

In Shilpi Singh (2013) studied that Organizations all over are rushing to implement the latest ideas on management, sometimes to the point of overuse. The major challenge now for banks as well as any other organisation is therefore how to develop their social architecture that generates intellectual capital as the quintessential driver of change. Developing the individual or human capacity is an integral element of building capacity and, in fact, capacity building initiatives are now increasingly becoming almost an index of institutional quality. Taking the banking industry to the heights of excellence, especially in the face of the a forehead-detailed emerging realities, will require a combination of new technologies, better processes of credit and risk appraisal, treasury management, product diversification, internal control and external regulations and, not the least, human resources.

Surya Prakash Rathi Neha Sharma (2014) studied that banking sector is a pillar on which the Indian economy has been based and being a service industry this sector is based on its human resource. To keep the economy growing at a good pace, banking industry plays the most important role and to keep the banking system going, human resource has to be properly managed and developed in such a fast changing and competitive environment. The attrition rate has to be lowered and skilled human resource has to be created and retained.

3. RESEARCH METHODOLOGY

The required data has been collected through primary source by unstructured interview with bank managers and secondary data has been collected through source like text books, Journals, internet and other publication where ever required.

OBJECTIVES OF THE STUDY

To study the practices of HRM and effects of human resource practices in HDFC bank.

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HRM-STRUCTURE

HRM is focused on all the aspects of human workforce in an organization starting with manpower planning to employee separation. Human Resource or Personnel Department is established in most of the organizations, under the charge of an executive known as Human Resource/Personnel Manager. This department plays an important role in the efficient management of human resources. The personnel department gives assistance and provides service to all other departments on personnel matters. Though personnel or human resource manager is a staff officer in relation to other departments of the enterprise, he has a line authority to get orders executed within his department.

HRM: A CASE STUDY OF HDFC BANK

The HR function in banks is not different from that in other organizations. It is a continuous process that seeks to ensure the development of employee competencies, dynamism ,motivation and effectiveness, in a systematic and planned manner .Being a service industry, human resource is one of the most important factors in the banking industry .Human resource is the life blood of any organization without which every other resource is of no use. Management of people and management of risk are two key challenges facing banks .Efficient risk management may not be possible without efficient and skilled manpower. Banking industry is facing an acute shortage of skilled manpower. Human resources are becoming scarce both in quality and quantity.

HRM (2013-14)

Human Resources Development has been a key and constant focus area of the bank. The human resources agenda, that includes within its gamut the attraction and retention of talent, skills development, reward and recognition, performance management and employee engagement are realized through a number of key initiatives, systems and processes. Employee Development Performance Management is one of the most critical dimensions pertaining to the management of human resources and the organization has a comprehensive Performance Management System (PMS) to assess performance. The PMS facilitates the differentiation between the various categories of performance. Higher rewards for higher levels of performance have been a fundamental philosophy of the bank. Apart from rewards, the PMS also allows for identification of training and development needs for employees. Employee development and growth is realized through an array of functional and behavioral programs that the bank conducts throughout the year as well as on the job training. Further the bank lays emphasis in rotating key talent for professional development and growth and building a leadership pipeline for the future. Rewards and Recognition Rewards and Recognition play a key role to attract, retain and engage employees. Bank is committed to ensure THAT EMPLOYEES ARE COMPETITIVELY POSITIONED VIS Ë VIS MARKET with respect to both fixed as well as variable pay. The Bank also grants employee stock options to a certain segment of the employee population in order to align employee efforts to the creation of shareholder value. Apart from the standard compensation the Bank also has a well institutionalized RECOGNITION PROGRAM CALLED h3TAR! Wards TO RECOGNIZE

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THE HRM (2012-2013)

Constant focus on the Human Resources dimension is an integral part of the Bank's values. Attracting, retaining and developing our workforce to meet the current and future needs of our business is a key focus area. The organisation is committed to achieve the above through comprehensive interventions in training and development, providing career growth opportunities and creating an entrepreneurial culture. Performance Management is one of the most critical dimensions pertaining to the management of human resources and the organisation has a comprehensive Performance Management System (PMS) to assess performance. The PMS facilitates the differentiation between the various categories of performance. Higher rewards for higher levels of performance have been a fundamental philosophy of the bank. Apart from rewards, the PMS also allows for identification of training and development needs for employees. Employee development and growth is realized through an array of functional and behavioural programmes that the bank conducts throughout the year as well as on the job training. The bank lays emphasis in rotating key talent for professional development and growth and building a leadership pipeline for the future. Development interventions of the Bank are supplemented by the conducting of Development Canters for high performing mid-level managers. Rewards and Recognition It is the endeavour of the organisation to ensure that employees are competitively positioned vis-à-vis market with respect to both fixed as well as variable pay. In order to align employee efforts to the creation of shareholder value the bank also grants employee stock options to a certain segment of the employee population. Apart from the standard compensation the organisation also has a well institutionalized recognition program called "Star Awards" to recognize outstanding achievement of individuals. Fun at work is something the Bank feels should be an integral part of every HDFC bank employee's life. Keeping in mind the aforementioned statement, the organisation believes in conducting activities that help individuals showcase their talent or pursue their interests other than work. The Bank conducted comprehensive sports activities like Josh Unlimited, a multicity, multi sports event, held across eight cities, a pedometer based race event and online musical classes with an established musical academy. The organization received a very strong participation for such activities which is a testimony to their success.

HRM (2011-12)

People remain the most valuable asset of the Bank. The Bank continued to build on its capabilities in getting the right talent to support different products and geographies and is taking effective steps to retain the talent. During the year under review, the total staff strength has increased to 4334 employees as compared to 2981 employees at the same time in previous year. Directors would like to record their appreciation of the hard work and commitment of the Company's employees, which resulted in the good performance.

HRM (2009-2010)

The total number of employees of the bank was 51,888 as of March 31, 2010. The Bank continued to focus on training its employees, both on-the-job as well as through training programs conducted by internal and external faculty. The Bank has consistently believed that broader employee ownership of its shares has a positive impact on its performance and employee motivation. HDFC Bank lists 'people' as one of its stated core values. The Bank believes in empowering its employees and constantly takes various measures to achieve this. The Bank's employees are encouraged to volunteer time and skills through the 'Corporate Volunteering Program'. The Bank's employees have engaged in activities such as academic support classes, held English speaking courses and

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helped in organizing special events in order to celebrate festivals with the underprivileged. Additionally the Bank has facilitated employee donations to charities of their choice through ‘Give India’, a donation platform that enables individuals to support social causes by donating to over 200 charities that have been screened for transparency and credibility. The bank makes a donation matching the amounts donated by its employees on a monthly basis.

HRM (2008-2009)

The total number of employees of the bank increased from 37,836 as on March 31, 2008 to 52,687 as of March 31, 2009. The growth in the employee base was in line with the growth in the banks businesses and distribution both inorganically as well as organically. The Bank continues to focus on training its employees on a continuing basis, both on the job and through training programs conducted by internal and external faculty. The Bank has consistently believed that broader employee ownership of its shares has a positive impact on its performance and employee motivation. HDFC Bank lists 'people’ as one of its stated values. The Bank believes in

EMPLOYEE DETAILS

Employee Details module is used to maintain the employees’ details such as adding new employee, modifying the existing employee and deleting the existing employee. When a new employee is selected from the resume tracking, all the details are to be entered and maintained in the database.

The employee details contains three kind of information.

- Personal Information
- Contact Information
- Employee Status

- **PERSONAL INFORMATION**

In the personal information, it consists of the information about the employee name, employee id, nationality, etc. In the contact information, it consists of the information about the employee address, phone numbers, etc, In the employee status, it consists of the information about the status of the employee, supervisor name, department, etc.

- **PAYROLL**

In the payroll module, it consists of the information about the employee salary details such as basic pay, allowances, deductions and calculate the gross pay and net pay from the given allowances and deductions. All the employees’ pay details are maintained by the HR manager. The main function of this payroll module is to maintain the employee pay information.

- **TRAINING**

In this training module, it consists of the employees’ schedule about the training conducted in the organization for the particular employee. The employees’ previous training experience will be maintained in the database. In the module contains the information about the employee who are in the Training and who are finished the training. These details are to be used in the payroll calculation.

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PERFORMANCE

This performance module contains information about the employee's current position in the organization. This module has the information such as employee name, employee ID, Division, work group, evaluation date, evaluator, and evaluation period. This module is used to monitor the employees, their work performance and the involvement of them in the organization.

LEAVE MANAGEMENT

This module contains the information about the employees leave details. There are three kinds of leave which are sick leave, vacation, and holiday. There are fixed amount of days that are allocated for each type of leave and the database of leave details are maintained by the organization. The details includes number of days, period, total number of leave taken by that employee up to that date and number of days that are remaining.

RESIGNATION

This module contains the information about the ex-employees who have worked for the organization. The information are such as department, position, their supervisor, current contact information, joining date and resigning date. These information are used to contact the ex-employees in case of emergency in which project they have already involved.

SUGGESTIONS FOR BETTER HRM

The study suggests that HDFC Bank should review its polices from time to time for the improvement of employee's participation at middle level and senior level management interalia with other practices like Training, Performance Appraisal, Team Work and Compensation etc. which need to be maintained in order to achieve high level of job satisfaction. The Management should create awareness at all levels that HRM is everybody business and systems for creating such awareness for the development of the organization. HDFC Bank should establish a high power HRM Committee at the corporate level. The HRM surveys should be carried out in the banks and findings of these surveys should be interpreted and suitable HRM interventions should be made. The suggestions emerging from these surveys need to be examined and followed up seriously. Further the HDFC Bank should consider to re-examination the needs of welfare measures like medical facilities, canteen facilities at branches, scholarships for children of staff, holiday homes and library facilities at branches. The other important polices like transfers, promotions, rewards and punishments should be made more clear and transparent.

4.CONCLUSION

Human resource management is the process of proper and maximizes utilization of available limited skilled workforce. The core purpose of the human resource management is to make efficient use of existing human resource in the organisation. The Best example at present situation is,construction industry has been facing serious shortage of skilled workforce. Every organization's desire is to have skilled and competent people to make their organisation more effective than their competitors. Humans are very important assets for the organisation rather than land and buildings, without employees (humans) no activity in the organisation can be done. Machines cannot produce more goods of good quality without the skilled staff and for that recruiting the right people cannot

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be ignored inter-alia the evaluating performance, resolving disputes, and communicating with all employees at all levels Human Resources Development has been a key and constant focus area in HDFC bank. The human resources agenda, that includes within its gamut the attraction and retention of talent, skills development, reward and recognition, performance management and employee engagement are realized through a number of key initiatives, systems and processes. Employee Development Performance Management is one of the most critical dimensions pertaining to the management of human resources and the organisation has a comprehensive Performance Management System (PMS) to assess performance. The PMS facilitates the differentiation between the various categories of performance. Higher rewards for higher levels of performance have been a fundamental philosophy in this bank. Apart from rewards, the PMS also allows for identification of training and development needs for employees. Employee development and growth is realized through an array of functional and behavioural programs that bank conducts throughout the year The Bank believes in empowering its employees and constantly takes various measures to achieve this as well as on the job training. HDFC Bank lists 'people’ as one of its stated values. The Bank believes in empowering its employees and constantly takes various measures to achieve this. It is an admitted fact that HRM is a gentle approach to ensure that skill of people in an organization should be utilized not only to achieve objectives of the organization but also for growth, development, satisfaction and benefit of its people. Hence, HRM considers its people as the most important and valuable resource of the organization and it stresses that organization should consider its people as an “asset” and not as “cost”.

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