

**Project Dissertation Report on**  
**TO STUDY THE HRM PRACTICES IN PUBLIC**  
**AND PRIVATE SECTOR BANKS OF INDIA**

Submitted By

Nikita Somra

Roll No: 2K21/DMBA/76

Under the Guidance of

**Dr. Sonal Thukral**

Assistant Professor



**DELHI SCHOOL OF MANAGEMENT**

**Delhi Technological University**

Bawana Road Delhi - 110042

## **CERTIFICATE**

This is to certify that NIKITA SOMRA (2K21/DMBA/76) has submitted the final project dissertation report titled “TO STUDY THE HRM PRACTICES IN PUBLIC AND PRIVATE SECTOR BANKS OF INDIA” in partial fulfilment of the requirements for the award of the degree of Master of Business Administration (MBA) from Delhi School of Management, Delhi Technological University, New Delhi during the academic year 2022-23.



Dr. SONAL THUKRAL  
Assistant Professor

Dr. ARCHNA SINGH  
H.O.D

## **DECLARATION**

I NIKITA SOMRA student of Delhi School of Management, Delhi Technological University hereby declare that the final project dissertation report titled “TO STUDY THE HRM PRACTICES IN PUBLIC AND PRIVATE SECTOR BANKS OF INDIA” submitted in partial fulfilment of the requirements for the award of the degree of Master of Business Administration (MBA) is the original work conducted by me. I also confirm that neither I nor any other person has submitted this project report to any other institution or university for any other degree or diploma. I further declare that the information collected from various sources has been duly acknowledged in this project.

NIKITA SOMRA

Roll No: 2K21/DMBA/76

## **ACKNOWLEDGEMENT**

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Finally, I express my sincere thanks to my Parents, Friends, and faculty members at DTU for being supportive and making me capable enough to fit into the professional working environment and for their valuable suggestions in completing this Project Report.

NIKITA SOMRA

2K21/DMBA/76

## **EXECUTIVE SUMMARY**

This chief outline depicts the aggregate of this venture in a couple of pages. This is probably the only document a potential reader will see at first, it must be as brief, clear, and simple as possible. This executive summary is designed to give a brief introduction to conclusion to this extensive research project.

### **Abstract**

Competition from local and international private sector banks is fierce for public sector banks, as a result of globalization. They have realized the importance of novel HRM techniques, which were previously mostly adopted by private sector banks, to increase their efficiency and performance. The current study is based on primary information obtained from two Indian banks, both of which are in the public and private sectors (HDFC and SBI Bank). I'll look at whether there is a statistically significant distinction in the adoption of cutting-edge HRM practises between banks in the public and private sectors, training and development, performance appraisal, compensation, and employee retention are the categories under which these practices fall.

Human Resource Management (HRM) is a modern name for what was originally called as individual administration or management. The customer service that a bank provides to its customers is crucial since banks offer services through their workers, so how bank employees interact with their customers is important. Banks today directly compete, and they face challenges and issues such as technological innovation, resource scarcity, power, and energy, among others. Furthermore, employees are safeguarded by welfare, safety, training, and performance appraisal procedures designed to improve their efficiency and output.. As a reason, this study attempts to determine how much human resource management contributes to employee happiness at SBI and HDFC. A convenient sampling method was used to choose a sample of 60 employees. According to the survey, human resource management at SBI and HDFC contributes to employee happiness. The collected data were analysed using the following statistical tools: tables, percentages, ranking. Finally, the researchers made typically conceptualized to improve SBI's Human Resource Management processes, which will help the company achieve success.

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## **INTRODUCTION**

Human resources are now seen as a crucial asset in any firm. The ability of the business unit's employees to work, their willingness to execute their tasks, their motivation, and, most importantly, their pleasure with their current occupations are all critical to the business unit's existence. When an organization establishes a working environment, an employee's job involvement is a required condition for him to work to his full potential.

The growth of the Indian economy is significantly aided by the banking industry. The banking sector supports the growth of several industries by offering financial assistance.

Training and development, performance evaluation, compensation, and employee retention all have a direct bearing on how well banks' personnel perform. One of the key financial system segments, the banking sector, has a significant impact on a nation's economic and social development.

### **Banking Structure in India**

In India, there are two different kinds of banks: cooperative credit institutions and commercial banks. Commercial banks can be divided into two categories: scheduled commercial banks and non-scheduled commercial banks. Based on their corporate structures, commercial banks are split into two categories.

There are three types of public sector banks:

1. SBI (State Bank of India) and its partners, regional rural banks, and nationalized banks.
2. Private sector banks, which include both Indian private sector banks (which can be split into two classifications: those founded before 1991 and those formed after 1991) and international banks operating in India.
3. Regional rural banks and local banks are among the others.

## **HRM Practices In Banking Industry**

Banks are steadily strengthening their human resource management practices. The majority of banks established separate HRD Departments (HRDDs) within a decade of its inception, and HRDDs in numerous institutions have had remarkable accomplishments. Existing HRM duties have been referred to as "Ornamental Appendages" by some, and they have been criticized as such. However, the majority of bank activities are insufficiently gratifying. HRDD has been accused of performing personnel administration responsibilities within banks, including recruitment, placement, transfer, promotion, and training. HRDD functions in many banks are being converted to HRD functions. In addition to training, these banks have included other operations such as staffing planning and performance appraisal.

The Indian banking system must be strengthened, efficient and affordable. This can be achieved by establishing a foundation that will be integrated into the bank's strategy, operations and processes. It seeks to adopt sanity norms and market discipline, and international/global style standards. This style; change management and integration within existing financial systems; updating the technical infrastructure of the financial system; and human perfection as a catalyst for change.

## **Importance of Human Resource Management for Banks**

1. Recruitment strategy ahead; Over the past ten years, the banking industry has experienced tremendous growth and change, which has resulted in a number of job openings and a general expansion of the industry. The public sector now has a significantly greater number of divisions, and as a result, more skilled workers are required. The HR management committee is in charge of assessing possible organisational needs and continuously fine-tuning the hiring process in both relevant banks.



2. Maintaining a combination of workplace expertise and youth: Youth vigour and workplace exuberance must be blended to adapt to the changing financial landscape brought about by the introduction of online banking and core banking facilities. But, in order to make it a sustainable and fruitful combination, just like in any other business, there needs to be a careful balance between youthful excitement and seasoned practitioners. Thus, it is HRM's duty to keep this equilibrium and make some cultural and managerial changes based on the needs of our employees.
3. Employee Training: Technology and work methods in the financial sector are evolving rapidly. Not only do computers change over time, but so do the different systems, rules, and attitudes toward banking services. In order to learn the same things from time to time, new employees and job seekers must complete necessary training. The management of the Human Resources department ensures that no other differences arise for the people who work for the banking company. Human Resources is responsible for administering the training and success evaluation of employees.
4. Performance Monitoring and Talent Identification: Human resource management is typically responsible for evaluating the overall performance of employees across business units. They focus more on individuals who lack entrepreneurial spirit and work to improve their performance. To improve Bank, Human Resources provides with enough recognition and promotion to give meaning to the hard work and employee dedication.
5. Observe Employee Personal Needs: Employees discover value in the company, just like they do in any other organisation. When they believe that the company is a significant source and that it values them in return, they tend to perform considerably better. Offering pay incentives for good deeds, retaining some personal information and wishing them on holidays, granting leave, and keeping tabs on the promotional and transition criteria are some of the things that the HR department wishes to examine.

## **Public sector banks**

The Ministry of Finance of the Government of India or the State Ministries of Finance of numerous Indian state governments own a majority interest in PSBs, a popular type of government-owned bank in India (i.e. more than 50 percent). Officers employed by these companies and their subsidiaries shall have official designation. Government employees also include those who work for the officers in control of these corporations and their affiliates. On stock exchanges, these banks' shares were traded. Their main objective is to advance social wellbeing.

## **Working of Public Banks**

A bank that the government holds a majority of the equity in is referred to as a public sector bank. Through these banks, the government controls financial regulations. Since public sector banks are owned by the government, the majority of depositors think their money is safer there. The bulk of public sector banks thus have sizable customer bases. Compared to private banks, employees at public sector banks enjoy more job security. They also benefit from other things, like a pension when they retire. Because of this, many employees are reluctant to provide the best service possible. Public sector banks consequently have a significantly higher default rate.

## **SBI bank**



## **About SBI Bank**

The State Bank of India has a long history that dates back to the early nineteenth century.

On June 2, 1806, the city of Kolkata saw the founding of the Bank of Calcutta. Three years later, on January 2, 1809, the bank changed its name to the Bank of Bengal. The first joint-stock bank in British India was founded with funding from the Government of Bengal. Following the Bank of Bengal, the Bank of Bombay (15 April 1840) and the Bank of Madras (1 July 1843) were established. The Imperial Bank of India was founded on January 27, 1921, although these three banks had previously controlled India's modern financial industry.

An international public sector bank in India that offers financial services is called the State Bank of India (SBI). The company's main office is in Mumbai, Maharashtra. SBI is the 43rd largest bank in the world and is ranked 221st on the Fortune Global 500 list of the top corporations in the world for 2020. It is India's largest public sector bank with a 23 percent asset market share and a 25% share of the overall loan and deposit market. With about 250,000 workers, it ranks as India's fifth largest employer.

## **Private Sector Banks**

The "private-sector banks" are those in which private shareholders have a larger share of the capital or equity than the government. There are two types of private sector banks: old and new.

Prior to the nationalisation in 1969, the previous private sector banks remained independent. The new private sector banks are those that have received their banking licence since the 1990s banking reform.

Private banks abound in India, and they are well-known for providing prompt service to their clients. Since 1969, when the Indian government nationalised all major banks, public sector banks have dominated Indian banking. However, since the government's banking policy was liberalised in the 1990s, old and new private sector banks have resurfaced.

Their main functions & activities include:

- They offer services such as deposit account opening, high-interest savings accounts, and other advantages.
- These banks advise clients on various investing methods that would help them achieve their goals. To put it another way, they provide investment planning services.
- They make suggestions and recommendations for real estate financing choices.
- They offer low-interest loans and credit.
- Various banks in India assist their customers with tax compliance and future tax developments.
- Banks assist customers with future uncertainties and risks such as market conditions, interest rate changes, liquidity issues, and so on, similar to tax trends.
- They handle diverse clients' cash flow by tracking bills and receipts.

Private banks are essential to the growth of a nation's economy. These are the main players in the market today. Private banking has encouraged foreign economies to invest in our growing nation. We can better understand India's private banking industry thanks to the data. Indian private sector banks have over the years shown improving trends in asset quality, decreased credit costs, and healthy capital levels. Regarding customer satisfaction and banking quality, private banks in India have received favourable reviews. Globalization has prompted global corporations and international banks to establish operations in developing countries such as India.

## HDFC Bank



# We understand your world

With its registered office in Mumbai, India, HDFC Bank was founded in August 1994 under the name "HDFC Bank Ltd." In January 1995, HDFC Bank began conducting business as a licenced commercial bank. One of the first organisations to get "ledger" authorisation from the Central Bank of India (RBI) to launch a private sector bank was the Housing Finance Corporation (HDFC). In 1994, as part of the RBI's deregulation of the Indian banking sector, Bank

Mumbai is where HDFC is headquartered. Nowadays, the bank operates a network of more than 1,416 branches across 550 Indian cities. Real-time online connections exist between all branches. Moreover, phone banking provides services to customers in more than 500 establishments. Moreover, the bank has more than 3,382 network ATM networks in these cities.

## **OBJECTIVE OF THE STUDY**

This study aims to compare and contrast the working of new Human resource management practices of India's public and private sector banks. A few sub-objectives were established to help achieve this goal which are as follows:

The Study's Purpose the following are the study's key goals:

1. To analyse the recruitment policies and appraisal systems of Indian public and private banks
2. Research on types of Training and Development methods used in India's public and private banks
3. This research's main goal is to examine different HR practices (recruitment policy, performance appraisal, and training) that impact the working of the banking industry in India.

## **SCOPE OF STUDY**

Various research studies reveal that some companies and their managements are willing to implement HR practices in order to raise the degree of satisfaction among their employers and employees, which improves the organization's overall performance. Primarily in service-oriented industries like commercial banks, where service must be increased to match rising client demands. This research is required

1. To know efficiency and profitably of commercial banks able to meet the increasing demands of their clients
2. To learn about management and its entities who taken care of their employees' growth.
3. To analyse the importance of human resources and the urgency of their development necessitates brought a keen interest in analyzing HR practices in the banking sector.

## LITERATURE REVIEW

Mankidy (1996–1977) talked about the recruitment of officers into Public Sector Banks of India, which used a closed system for promotion. The Voluntary Retirement Plan (VRS), according to Kaur (2007), was designed to help Indian banks in their attempts to maximise the utilisation of their people resources and to establish a balanced age and skill profile in line with their business strategies. Another study on HRM issues in the banking industry (Jyothi and Jyothi, 2008–2009) came to the same conclusion: banks will need to address compensation issues, flexible work schedules, outsourcing, and talent retention in the near future. To do this, they will need human resources with improved skills, new knowledge, and behavioural adjustments. This demonstrates the urgent need for HRM advancements. 2010's Khera made an attempt to find out how much the commercial banks in India differ from one another when it comes to important components of employee productivity-boosting HR policies. In the Khera (2010) research of the Indian banking industry, the relationship between human resource management and performance was also examined from many angles. Nevertheless, this study did not look into HRM advancements.

Majumder (2012) proposed enhancing the calibre of HRM measurements in a subsequent study conducted in Bangladesh. Studies have demonstrated that if banks are to increase their success, the quality of HRM readings must be increased. According to studies, not all HRM criteria used in Bangladesh's private banking sector satisfy all employees equally. In addition, a Nigerian study looked into the need for new HRM methods in the banking business (Ayanda, 2012). The impact of innovative HRM practices on the financial performance of Nigerian banks was explored in this research. This study found that innovative Human resource management practices have a considerable beneficial impact on a company's financial performance. Six Human Resource, (HR) strategies (realistic job information, job analysis, work-family balance, career development, compensation, and supervisor assistance) and their likely impact on Employee Intention to Leave (EIL) in Bangladeshi banks were evaluated in a study (Mahmud, Idrish, 2011). Some other studies on HRM in banking sector have also established a strong relationship between HRM and employee performance (Som, 2008; Khan, 2010; Ayanda, 2012; Racelis, 2009; Baloch et.

Qureshi and colleagues, 2010; Others, 2010). There aren't any studies that compare the demand for cutting-edge HR procedures in India's public and private banks, though.

## **Human Resources Management**

The planned and comprehensive method of managing a company's workforce is known as human resource management (HRM) goals and objectives. HRM is responsible for various functions such as recruitment, selection, training, compensation, and employee relations.

When it comes to the comparison of Banks in the public and private sectors that use HRM, there have been several studies conducted that shed light on the differences between the two sectors. Here are some key findings from the literature:

1. **Recruitment and Selection:** A study by Sharma and Bhatnagar (2018) found that public sector banks in India have a more bureaucratic recruitment and selection process compared to private sector banks. Public sector banks have to follow strict government regulations in terms of recruitment, which can make the process more time-consuming and less flexible. Private sector banks, on the other hand, have more flexibility in their recruitment and selection process.
2. **Performance Management:** A study by Kaur and Bhatia (2018) found that private sector banks in India are more likely to use performance management tools such as performance appraisals, goal-setting, and feedback mechanisms compared to public sector banks. Private sector banks are more focused on achieving their financial goals and are therefore more likely to use performance management tools to ensure that their employees are meeting the expected standards.
3. **Training and Development:** A study by Kumar and Singh (2021) found that private sector banks in India invest more in employee training and development compared to public sector banks. Private sector banks are more



focused on developing the skills and competencies of their employees to improve their performance, whereas public sector banks may not have the same level of investment in training and development.

4. **Compensation and Benefits:** A study by Singh and Srivastava (2020) found that private sector banks in India offer higher compensation and better benefits compared to public sector banks. Private sector banks offer more incentives such as bonuses, stock options, and profit-sharing schemes to their employees, which can help to attract and retain top talent.
5. **Employee Engagement:** A study by Kaur and Bhatia (2018) found that private sector banks in India have higher levels of employee engagement compared to public sector banks. Private sector banks are more focused on creating a positive work culture and engaging their employees through various initiatives such as employee recognition programs, wellness programs, and team-building activities.
6. **Work-life Balance:** A study by Singh and Srivastava (2020) found that private sector banks in India have more flexible work arrangements and policies that promote work-life balance compared to public sector banks. Private sector banks offer options such as telecommuting, flexible work schedules, and paid time off for personal reasons, which can help to improve employee well-being and reduce turnover.
7. **Employee Turnover:** A study by Kumar and Singh (2021) found that public sector banks in India have higher rates of employee turnover compared to private sector banks. This could be due to a number of factors such as limited career growth opportunities, lower compensation and benefits, and more bureaucratic HRM practices.
8. **Leadership:** A study by Sharma and Bhatnagar (2018) found that public sector banks in India tend to have a more hierarchical and bureaucratic leadership structure compared to private sector banks. Private sector banks often have

more decentralized leadership structures and may be more focused on empowering employees at all levels of the organization.

9. Diversity and Inclusion: A study by Singh and Srivastava (2020) found that private sector banks in India tend to be more proactive in promoting diversity and inclusion compared to public sector banks. Private sector banks are more likely to have policies and initiatives in place to promote diversity in their workforce, such as affirmative action programs and diversity training.
10. Employee Relations: A study by Kaur and Bhatia (2018) found that public sector banks in India tend to have stronger employee unions compared to private sector banks. This can sometimes lead to more conflict and tension between management and employees in the public sector. Private sector banks may have more flexible and collaborative employee relations practices that help to promote a positive work environment.

In conclusion, The body of research demonstrates that public and private sector banks' HRM practises differ significantly from one another. Compared to public sector banks, which could be more bureaucratic and controlled, private sector banks typically have HRM policies that are more flexible, performance-oriented, and employee-friendly. It's vital to remember, nonetheless, that depending on the nation, culture, and other contextual elements, many HRM procedures utilised by banks may differ.

## **RESEARCH METHODOLOGY**

Data gathering is one of the most important aspects of any research project. Data for this paper was gathered from two sources:

### **Primary Data:**

The data was collected using a standardized questionnaire from public and private banks i.e. HDFC and SBI Bank employees. By using judgmental sampling, the respondents' data will be gathered. In a non-probability sampling method called judgmental sampling, researchers select the units to sample based on their expertise and experience. This kind of technique is known as the "purposive sampling technique."

The respondents were workers at various levels, including clerical, scale-I, scale-II, and scale-III officers.

### **Secondary Data :**

Secondary data was gathered from websites, journals, and books, among other places. To develop the leading ideas, several articles from various periodicals were consulted.

### **Sampling**

A SAMPLE DESIGN is a specific strategy for obtaining a sample from a certain group of people. It describes the process or method the researcher used to select samples.

Data Sampling: The following steps, which are listed in order, make up the data sampling process.

1. Define the target population
2. Define the sampling frame
3. Determine the sample size
4. Execute the sampling process

## Sample Design

It describes the process or method the researchers used to select items for the sample. It is decided that the emphasis is on data gathering. 120 samples were provided by employees for this investigation.

## Sampling Process :

Convenience sampling:

Selecting "convenient" population units yields convenience sampling. The chunk is another name for the convenience sampling approach. The segment of the population being studied that is chosen based on convenience rather than probability or discretion is referred to as a chunk. Statistical Instruments utilised Percentage Analysis is one of the analysis tools employed.

## **DATA ANALYSIS**

Following statistical tools and technique been used to analyse the data collected from the questionnaire:-

**Descriptive statistics:** To summarise the results for each topic, we have utilised descriptive statistics like mean, median, mode, and standard deviation. These statistics aid in our comprehension of the data's central tendency, variability, and distribution. The tools which was used in following the above technique is Percentage analysis includes tables, charts, diagrams.

### **Percentage Analysis:**

A particular class of ratio is one that uses percentage. When comparing two or more data series, percentages are used. Relationships are described in terms of percentages. The relationship can also be compared using percentages.

The destruction of two or more series of data.

Percentage of respondents= No. of respondents / Total no. of respondents

### **Hypothesis**

In light of the study's goals, the following hypothesis was looked at and tested.

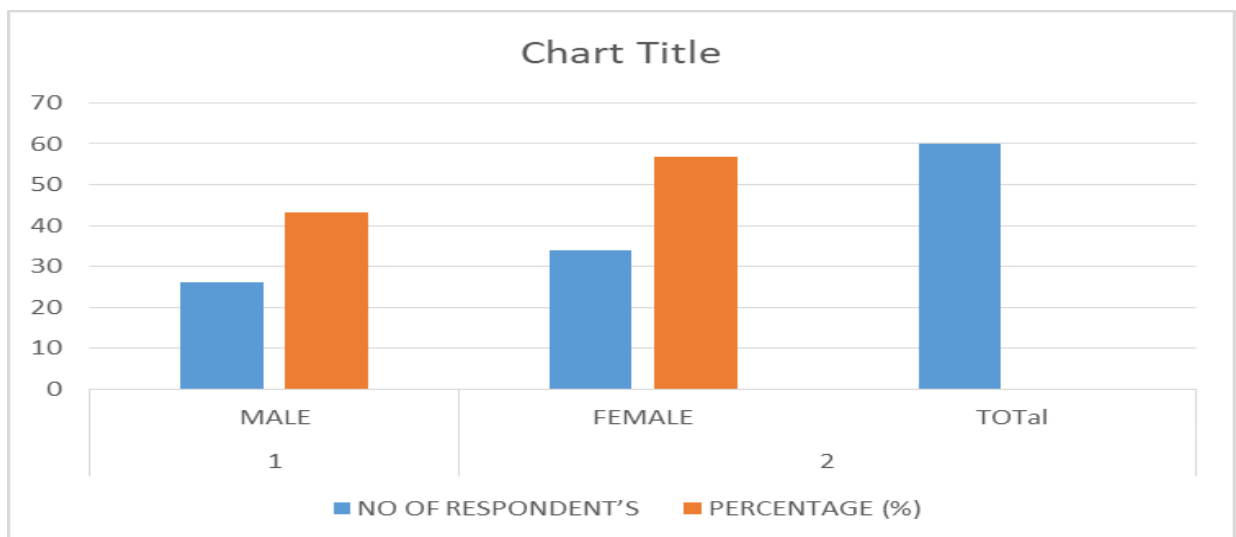
1. In the banking industry, recruitment policy is similar for public and private sector.
2. The process for performance appraisal policy is similar for public and private sector banks.
3. Training and development processes and strategies is similar for public and private sector banks.

## ANALYSIS AND INTERPRETATION

### Simple Percentage Method

Table No1.1 - Table showing the Respondent's Gender of SBI Bank

SERIAL NO	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	MALE	26	43.3333333
2	FEMALE	34	56.6666667
	TOTAL	60	100



**SOURCE: Primary data**

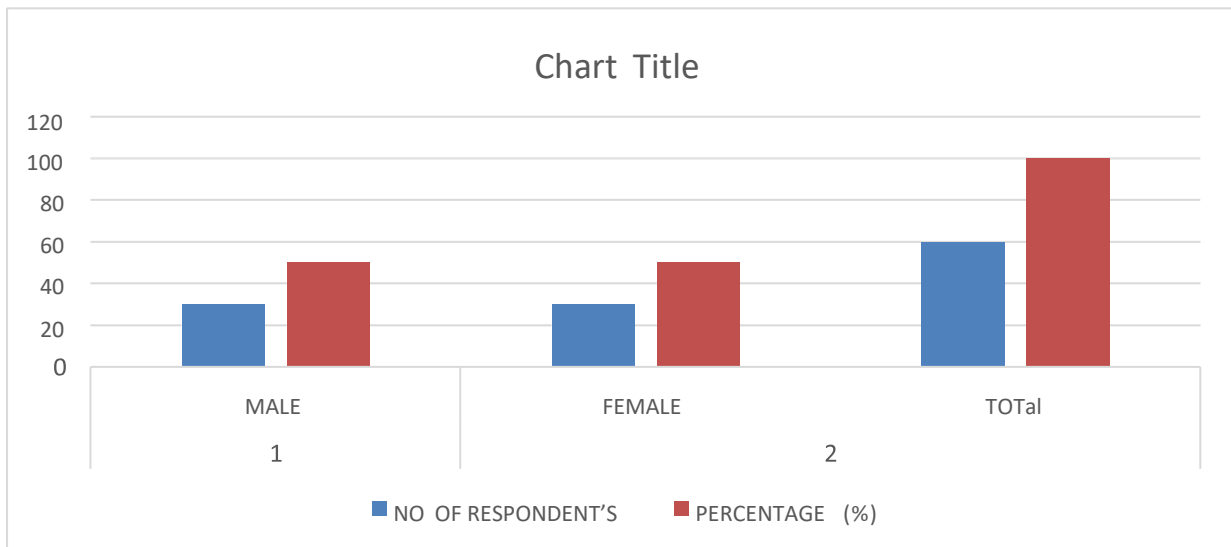
Interpretation: It can be deduced from the preceding data that 43.33% of the respondents are men and 56.66% are women.

Conclusion: The majority of respondents are women.

Table1.2- showing the Respondent's Gender of HDFC Bank

SERIAL NO	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	MALE	30	50
2	FEMALE	30	50
	TOTAL	60	100

Figure No- 1.2 showing Graphical Representation of Data of Table No.1.2



Interpretation: It may be deduced from the preceding table that 50% of the respondents are men and 50% are women. Inference: Majority of the Respondents are equal.

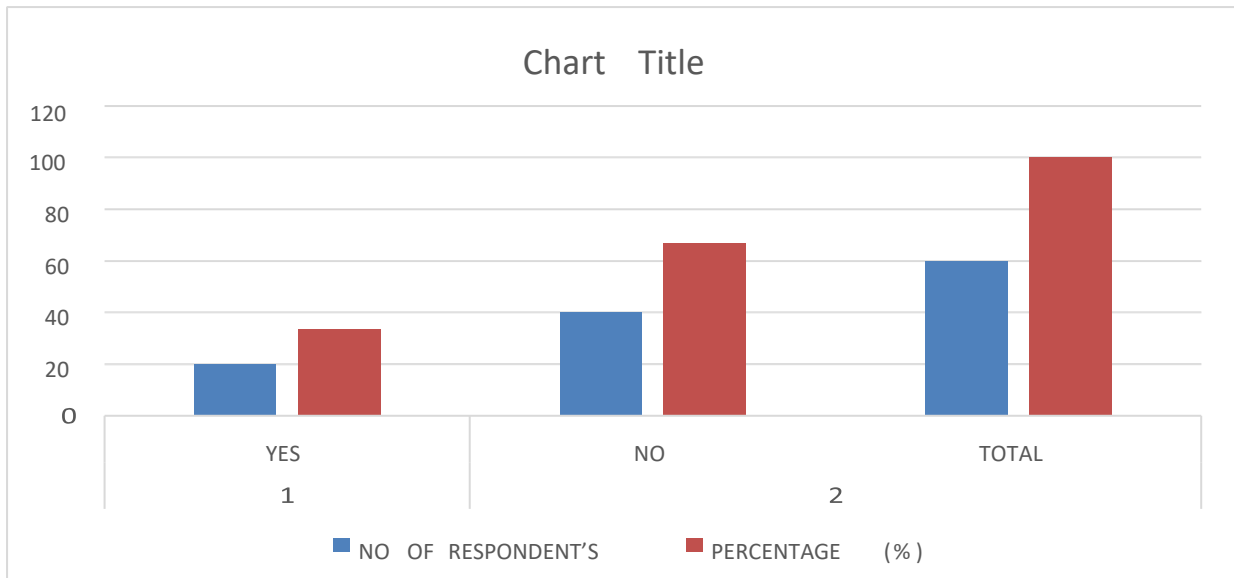
**Conclusion-** We can interpret that almost male and females are equal in both the banks.

**Table2.1- Showing the Respondents of SBI Bank and showing whether organization uses standardized recruitment policy**

SERIAL NO.	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	YES	54	90

2	NO	6	10
	TOTAL	60	100

**Figure No- 2.1 showing Graphical Representation of Data of Table No.2.1**



Source: Primary data

Interpretation: From the above table it is shown that 90% of the Respondents of SBI bank agrees to that the organization uses standardized recruitment policy and 10% Respondents disagree to the fact.

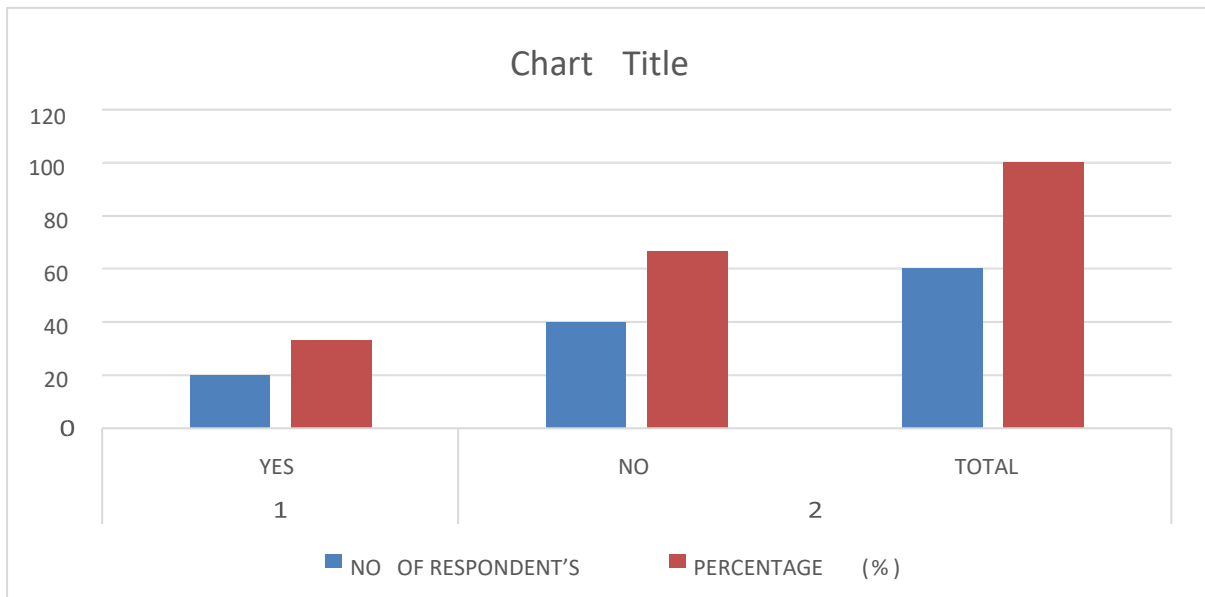
Inference: Majority of the Respondent's agree to standardized recruitment policy.

**Table2.2- showing the Respondents of HDFC Bank and showing whether organization uses standardized recruitment policy**

SERIAL NO.	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	YES	32	53.3333333
2	NO	28	46.6666667
	TOTAL	60	100



**Figure No- 2.2 showing Graphical Representation of Data of Table No.2.2**



Source: Primary data

Interpretation: From the above table it is shown that 53.33% of the Respondents of HDFC bank agrees to that the organization uses standardized recruitment policy and 46.66% Respondents disagree to the fact.

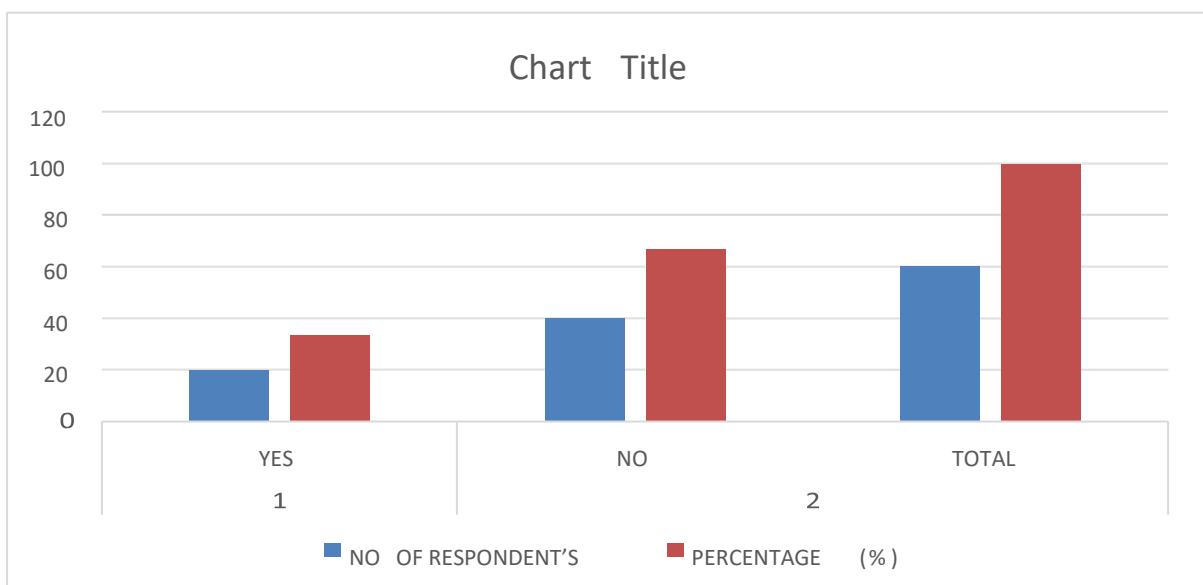
### Conclusion

The table shows that hiring practises for bank employees in the public and private sectors differ significantly. As the number of new hires equals the number of retirements every year, public sector banks' percentage score is higher than that of private sector banks, reflecting higher employee support for the hiring process. They might only hire once every twenty years and conduct twice-yearly recruitment. Nonetheless, the State Bank of India will hire each year. Aspirants will have a mechanism to use to study for the SBI written exam and interview, and the hiring process will be expedited. The bank's productivity would rise and it would be able to hire more employees if the hiring process were made more efficient.

**Table no. 3.1 showing the Respondents of SBI Bank and showing whether Appointment in this organization is done on merit basis**

SERIAL NO	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	YES	48	80
2	NO	12	20
	TOTAL	60	100

**Figure No- 3.1 showing Graphical Representation of Data of Table No.3.1**



Source: Primary data

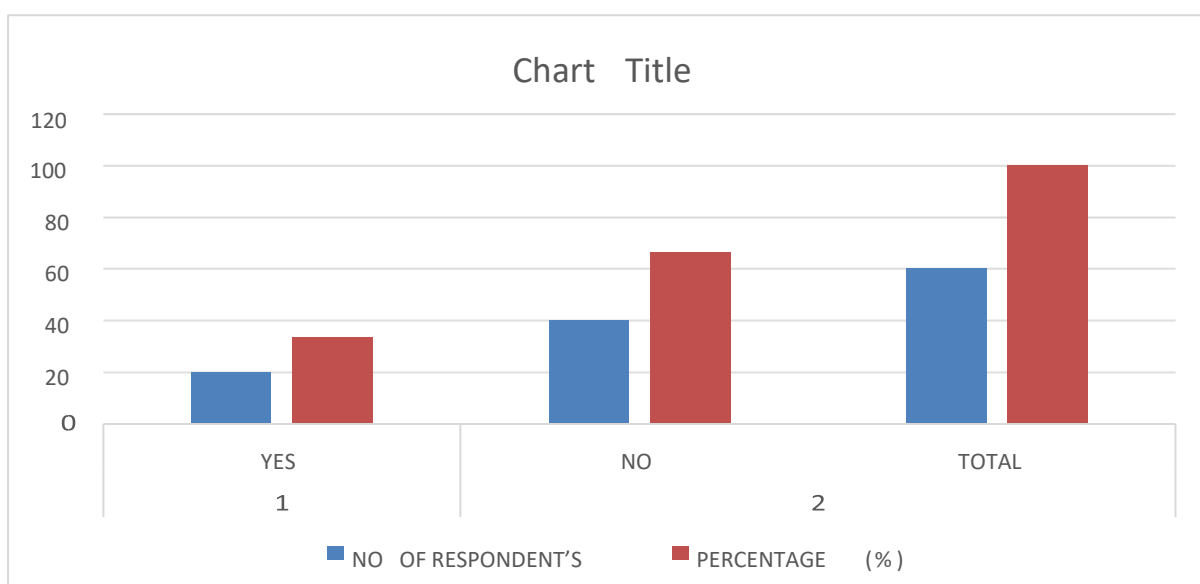
Interpretation: According to the above data, 80% of respondents at SBI Bank concur that appointments are made in this organisation on the basis of merit, whereas 20% of respondents do not.

Conclusion: The majority of respondents concur with the reality.

**Table no. 3.2 showing the Respondents of HDFC Bank and showing whether Appointment in this organization is done on merit basis**

SERIAL NO	VARIABLES	NO OF RESPONDENTS	PERCENTAGE (%)
1	YES	32	53.3333333
2	NO	28	46.6666667
	TOTAL	60	100

**Figure No- 3.2 showing Graphical Representation of Data of Table No.3.2**



Source: Primary data

Interpretation: According to the above data, 53.33% of respondents from HDFC Bank concur that appointments are made in this organisation on the basis of merit, while 46.66% of respondents contest this assertion.

Conclusion: The majority of respondents concur with the reality.

### Conclusion

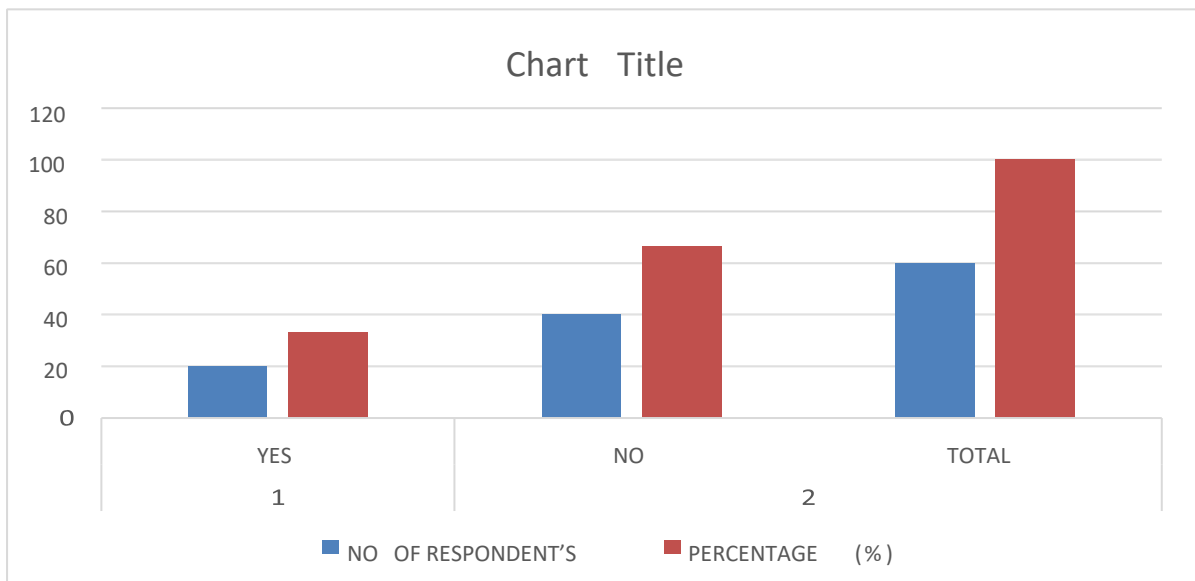
It can be deduced that there is a considerable variation in merit-based recruitment policies between public and private sector bank workers. The positive agreement of public sector bank personnel on recruitment policies is higher than that of private sector banks since the State Bank of India conducts an entrance exam once a year. As

a result, people looking for SBI bank jobs will be aware that an entrance exam will be held every year on this particular month.

**Table no. 4.1 showing the Respondents of SBI Bank and showing whether There is written and Formal performance Appraisal**

SERIAL NO	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	YES	22	36.6666667
2	NO	38	63.3333333
	TOTAL	60	100

**Figure No- 4.1 showing Graphical Representation of Data of Table No.4.1**



Source: Primary data

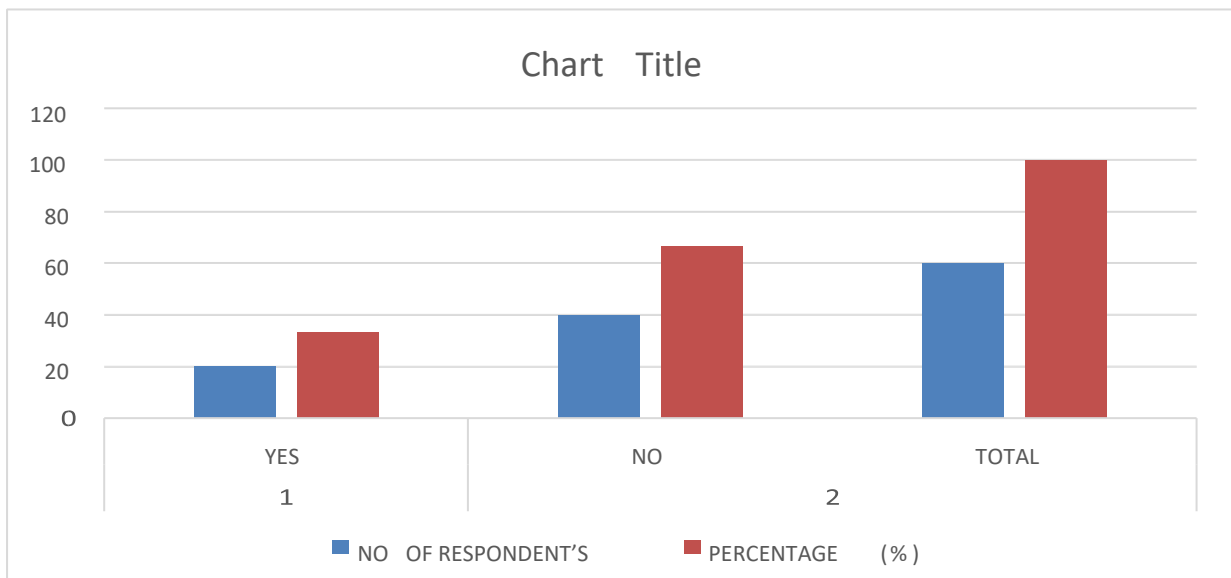
Interpretation: According to the preceding figure, only 36.66% of respondents from SBI Bank concur that formal written performance appraisals exist, while 63.33% of respondents contest this assertion.

Conclusion: The majority of respondents contest the assertion.

**Table no. 4.2 showing the Respondents of HDFC Bank and showing whether There is written and Formal performance Appraisal**

SERIAL NO	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	YES	32	53.3333333
2	NO	28	46.6666667
	TOTAL	60	100

**Figure No- 4.2 showing Graphical Representation of Data of Table No.4.2**



Source: Primary data

Interpretation: According to the above table, 53.33% of respondents for HDFC Bank concur that formal written performance appraisals exist, while 46.66% of respondents contest this assertion.

Conclusion: The majority of respondents concur with the reality..

### **CONCLUSION-**

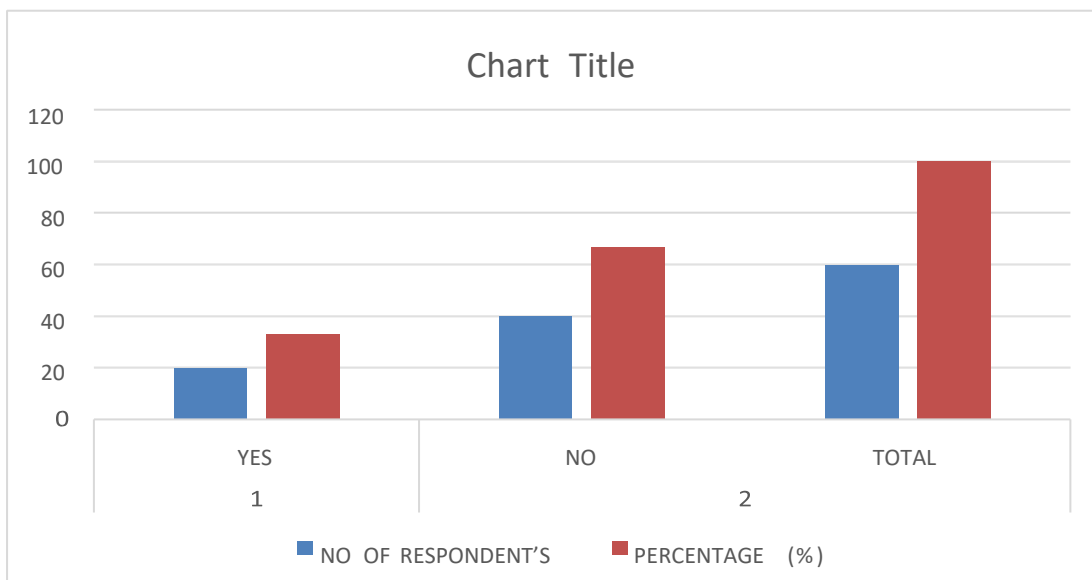
There seems to be a significant difference between employees of public and private sector banks in written and formal performance evaluations. The percentage score of private sector banks implies that workers are in agreement when compared to public

sector banks, as HDFC banks adhere to tight rules. Establish performance requirements and criteria for each position. They use legal methods for evaluation and adhere to corporate governance and ethics. The performance measure in SBI was also wholly subjective.

**Table no. 5.1 showing the Respondents of SBI Bank and showing whether Organization have regular training program**

SERIAL NO	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	YES	33	55
2	NO	27	45
	TOTAL	60	100

**Figure No- 4.2 showing Graphical Representation of Data of Table No.4.2**



Source: Primary data

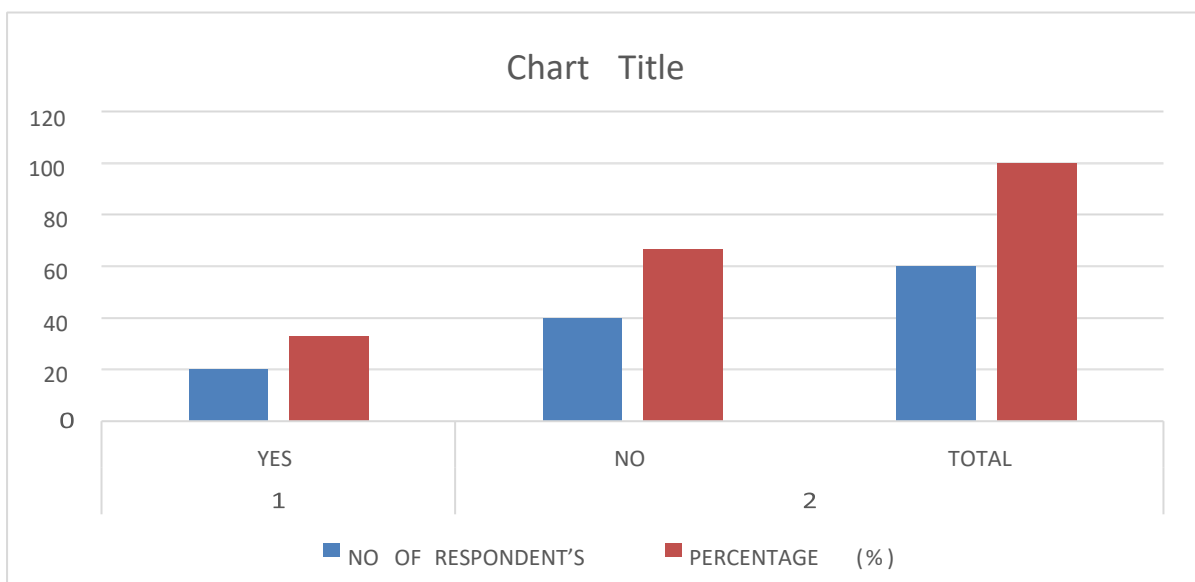
Interpretation: According to the table above, 55% of respondents to the sbi bank agree that the firm has a regular training programme, whereas 45% of respondents don't.

Conclusion: The vast majority of respondents concur with the truth.

**Table no. 5.2 showing the Respondents of HDFC Bank and showing whether Organization have regular training program**

SERIAL NO	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	YES	48	80
2	NO	12	20
	TOTAL	60	100

**Figure No- 5.2 showing Graphical Representation of Data of Table No.5.2**



Source: Primary data

Interpretation: According to the above table, 80% of HDFC Bank respondents concur that formal written performance appraisals are conducted, while only 20% do not.

Conclusion: The majority of respondents concur with the reality.

## CONCLUSION-

They provide "on the job" training to their branch staff as they pick them to promote various bank products through direct marketing. When they hire new employees for any position, they give them on-the-job training.

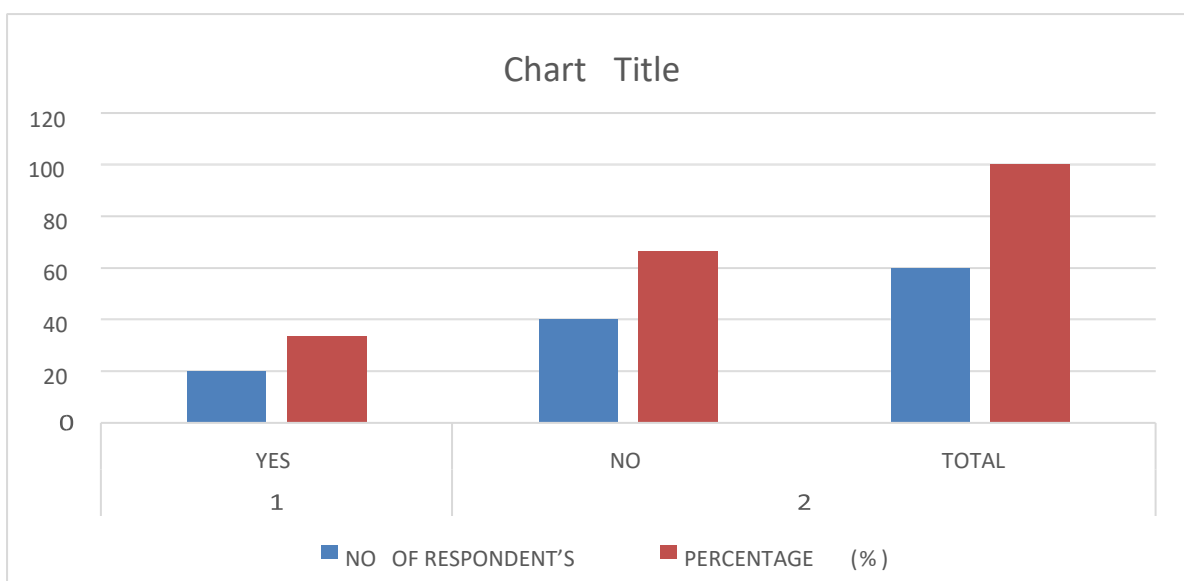
In order for salespeople to distribute their diverse products, they must first work under the supervision of a senior, then travel to the market to gain their own experience.

The length of the candidate's training program is determined by his relevant job position. They also offer customer service and communication training.

**Table no. 6.1 showing the Respondents of SBI Bank and showing whether Organization Performance Appraisal fair in the organization**

SERIAL NO	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	YES	29	48.3333333
2	NO	31	51.6666667
	TOTAL	60	100

**Figure No- 6.1 showing Graphical Representation of Data of Table No.6.1**





Source: Primary data

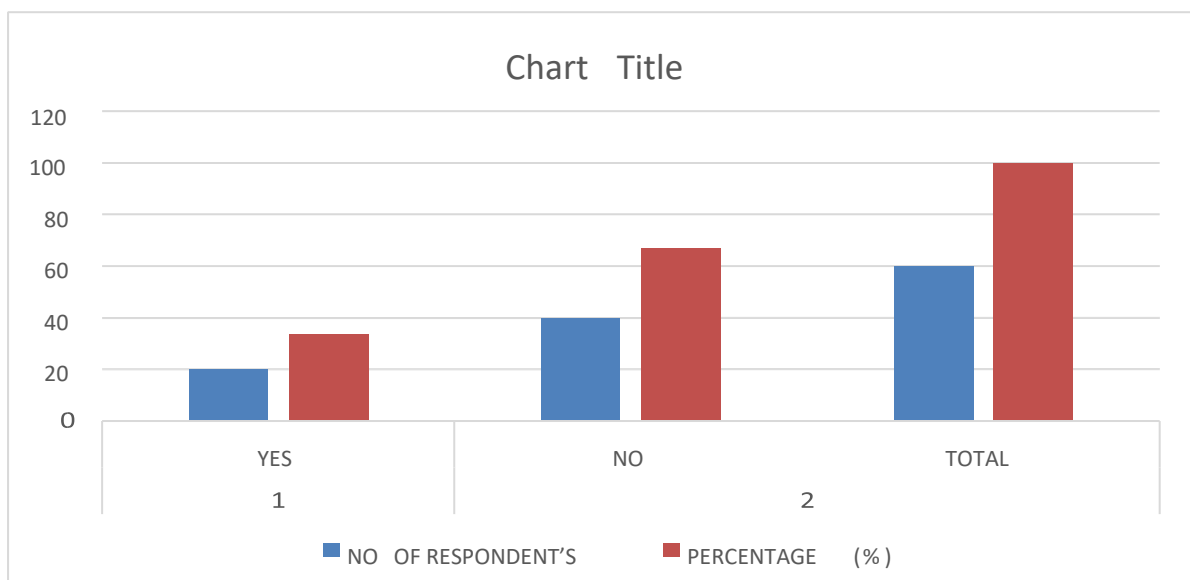
Interpretation: According to the following table, 48.33% of respondents from SBI Bank concur that performance appraisals are fair in your company, while 51.66 percent of respondents don't.

Inference: The majority of respondents contest the assertion

**Table no. 6.2 showing the Respondents of HDFC Bank and showing whether Organization Performance Appraisal fair in the organization**

SERIAL NO	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	YES	38	63.3333333
2	NO	22	36.6666667
	TOTAL	60	100

**Figure No- 6.2 showing Graphical Representation of Data of Table No.6.2**



Source: Primary data

Interpretation: According to the following table, 63.33% of respondents from HDFC

Bank concur that performance appraisals are fair in your firm, while 36.66% of respondents don't.

Inference: The majority of respondents concur with the statement.

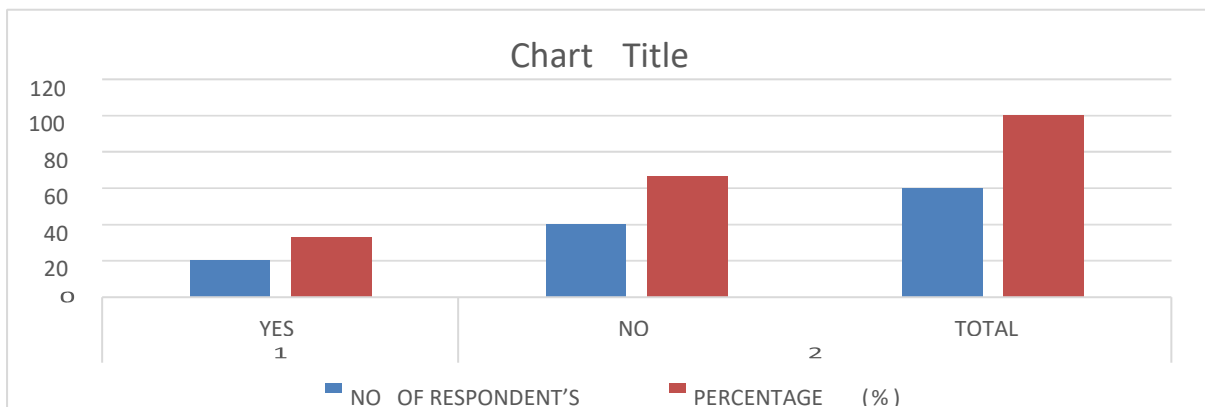
**Conclusion -**

It is conceivable to conclude that public and private sector bank personnel are evaluated differently from one another in terms of performance in organisations. Employees of the State Bank of India will give ratings as part of an appraisal system that is being overhauled after 2015, therefore the percentage score of public sector banks reflects favourable agreement as contrasted to private sector banks. The new system provides five types of grades (rather than marks on a scale of one to one hundred) that are separated into AAA, AA, A, B, and C in order of excellence. FIELD REVIEW, FORCED-CHOICE RATING, GRAPHIC RATING SCALE.

**Table no. 7.1 showing the Respondents of SBI Bank and showing whether Performance based Incentives are given in the organisation.**

SERIAL NO	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	YES	25	41.6666667
2	NO	35	58.3333333
	TOTAL	60	100

**Figure No- 7.1 showing Graphical Representation of Data of Table No.7.1**



Source: Primary data

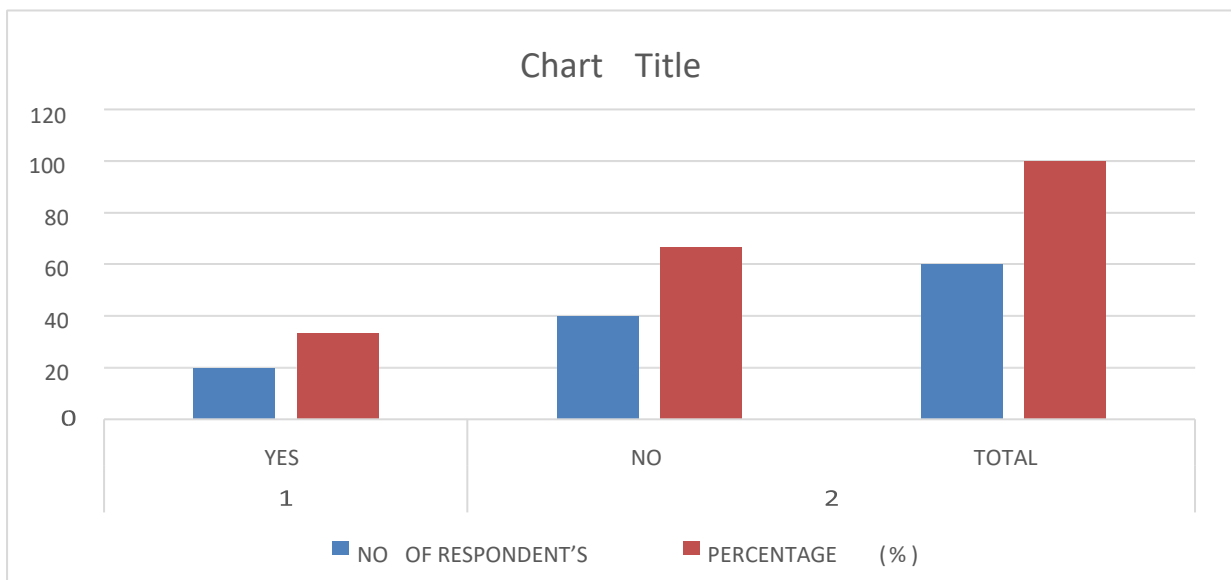
Interpretation: According to the previous table, 41.6 percent of SBI bank respondents believe that their company's performance evaluation system is fair, while 58.3 percent disagree.

Inference: The majority of respondents contest the assertion

**Table no. 7.2 showing the Respondents of HDFC Bank and showing whether Performance based Incentives are given in the organisation.**

SERIAL NO	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	YES	40	66.6666667
2	NO	20	33.3333333
	TOTAL	60	100

**Figure No- 7.2 showing Graphical Representation of Data of Table No.7.2**



Source: Primary data

Interpretation: According to the following table, 66.6% of HDFC Bank respondents

concur that performance appraisals are fair in your firm, while 33.3% of respondents don't.

Inference: The majority of respondents concur with the statement.

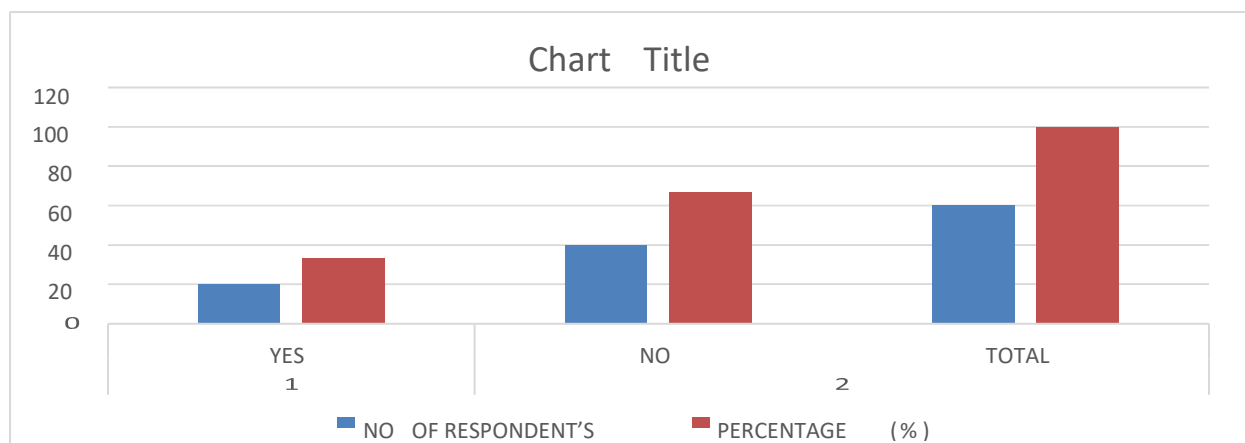
**Conclusion -**

Employee bonuses at HDFC Bank Pvt Ltd average 74,807 each year. Employees who report getting a bonus at HDFC Bank Pvt Ltd earn between \$11,983 and \$294,791 each year. Assistant Vice President, Corporate Banking employees receive the biggest compensation, with an average yearly bonus of \$294,791. Sales Officers receive the lowest compensation, with an average annual bonus of \$11,983. Good reward and incentive structure, plenty of possibilities to score, and plenty of clients; banks' customer connectedness has been excellent since their start, allowing them to service customers in the most efficient manner possible.

**Table no. 8.1 showing the Respondents of SBI Bank and showing whether Employees are given performance based feedback and counselling**

SERIAL NO	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	YES	32	53.3333333
2	NO	28	46.6666667
	TOTAL	60	100

**Figure No- 8.1 showing Graphical Representation of Data of Table No.8.1**



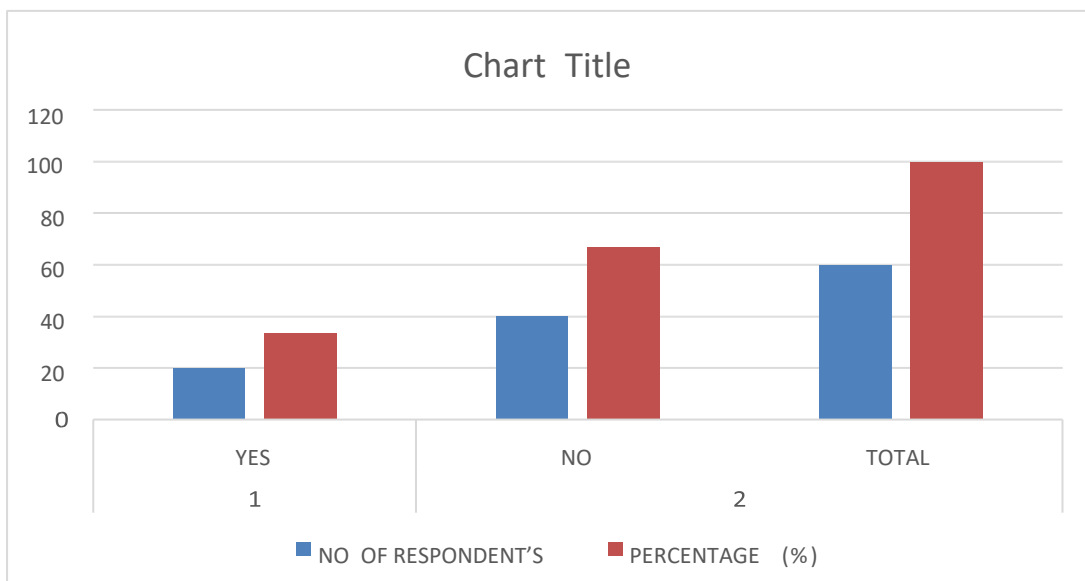
Source: Primary data

Interpretation According to the above data, 46.6% of respondents and 53.3% of respondents from SBI Bank concur that performance appraisals are fair in your company.

**Table no. 8.2 showing the Respondents of HDFC Bank and showing whether Employees are given performance based feedback and counselling**

SERIAL NO	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	YES	38	63.3333333
2	NO	22	36.6666667
	TOTAL	60	100

**Figure No- 8.2 showing Graphical Representation of Data of Table No.8.2**



Source: Primary data

Interpretation: According to the aforementioned data, 66.6% of respondents and 63.3% of HDFC Bank respondents both concur that performance appraisals are fair in your firm.

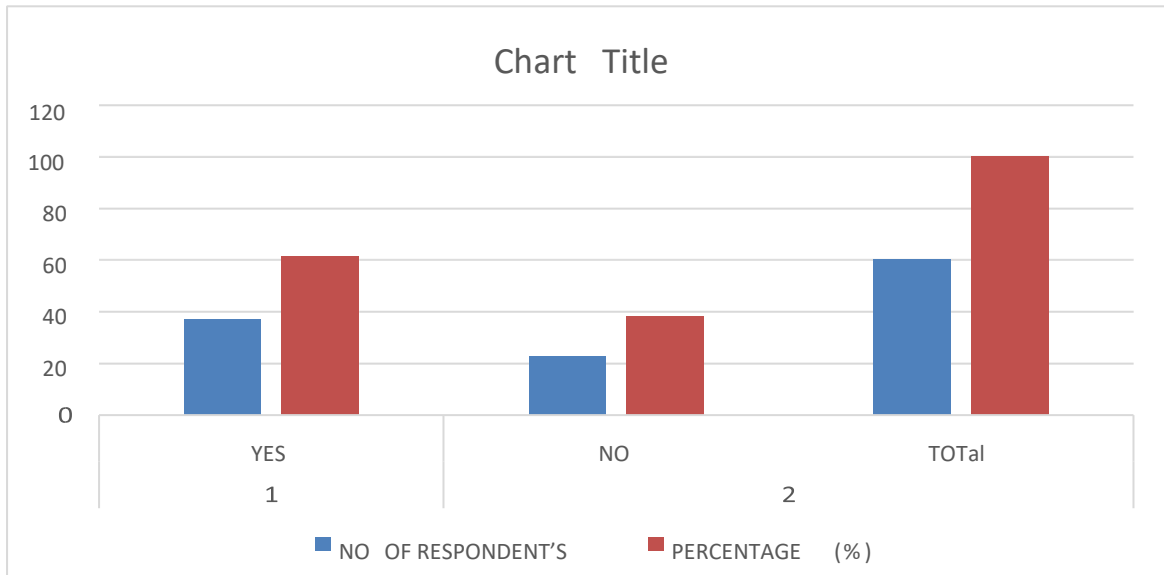
Conclusion –

Employees as given counselling in private banks as they are more into numbers and want results. Profit is their main motive as an organisation. Feedback motivates and guides the employees to improve their performances and give better results after rectification of their mistakes and thus plan accordingly .

**Table no. 9.1 showing the Respondents of SBI Bank and showing whether There are corrective measures for under Performance in the Organisation**

SERIAL NO	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	YES	37	61.6666667
2	NO	23	38.3333333
	TOTAL	60	100

Figure No- 9.1 showing Graphical Representation of Data of Table No.8.1



Source: Primary data

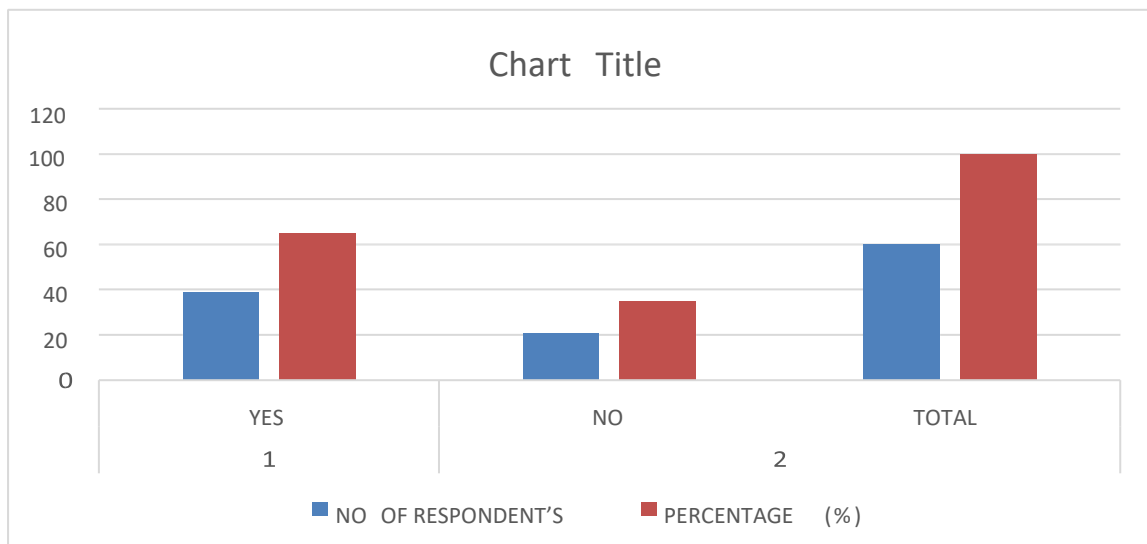
Interpretation: According to the following figure, 61.6% of respondents from SBI Bank concur that performance appraisals are fair at your firm, while 38.3% of respondents don't.

Inference: The majority of respondents concur with the statement.

**Table no. 9.2 showing the Respondents of HDFC Bank and showing whether There are corrective measures for under Performance in the Organisation**

SERIAL NO	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	YES	39	65
2	NO	21	35
	TOTAL	60	100

**Figure No- 9.2 showing Graphical Representation of Data of Table No.9.2**



Source: Primary data

According to the aforementioned table, while 35% of respondents from HDCF banks disagree, 65% of them believe that performance reviews are fair in their company.

Inference: The majority of respondents concur with the statement.

### **Conclusion-**

The rapid corrective action system, introduced by banks in 2002, has since been upgraded several times to serve as an early warning sign for banks under stress. The system is activated when the bank fails to meet certain financial parameters sent at least by the regulator. When a bank reports a negative ROI for two consecutive years, the RBI triggers the first PCA threshold. Negative ROA for the third consecutive year

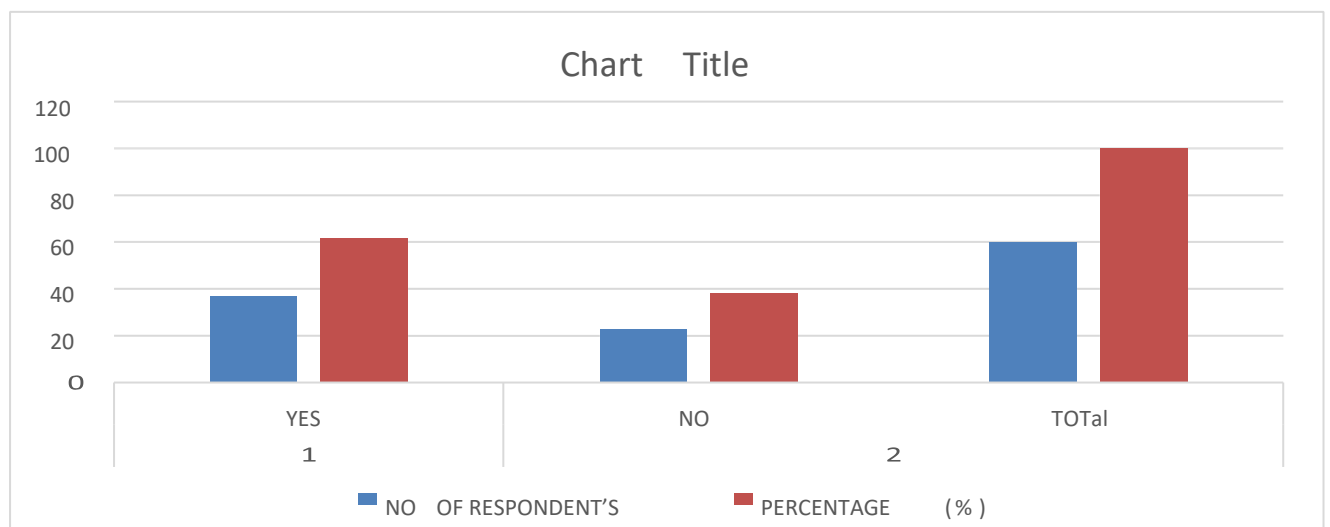
triggers a second PCA threshold for banks. 4. The final criterion is the level of overall debt or leverage, which measures a bank's financial risk. The rapid corrective action system, introduced by banks in 2002, has since been upgraded several times to serve as an early warning sign for stressed banks. The system is activated when the bank fails to meet certain financial parameters sent at least by the regulator. When a bank reports a negative ROA for two consecutive years, the RBI triggers the first PCA threshold. Negative ROA for the third consecutive year triggers a second PCA threshold for banks. 4.

The final criterion is the overall level of debt or leverage, which measures a risk.

**Table no. 10.1 showing the Respondents of SBI Bank and showing whether Working Environment is Satisfactory of the Organization.**

SERIAL NO	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	YES	36	60
2	NO	24	40
	TOTAL	60	100

**Figure No- 10.1 showing Graphical Representation of Data of Table No.10.1**



Source: Primary data



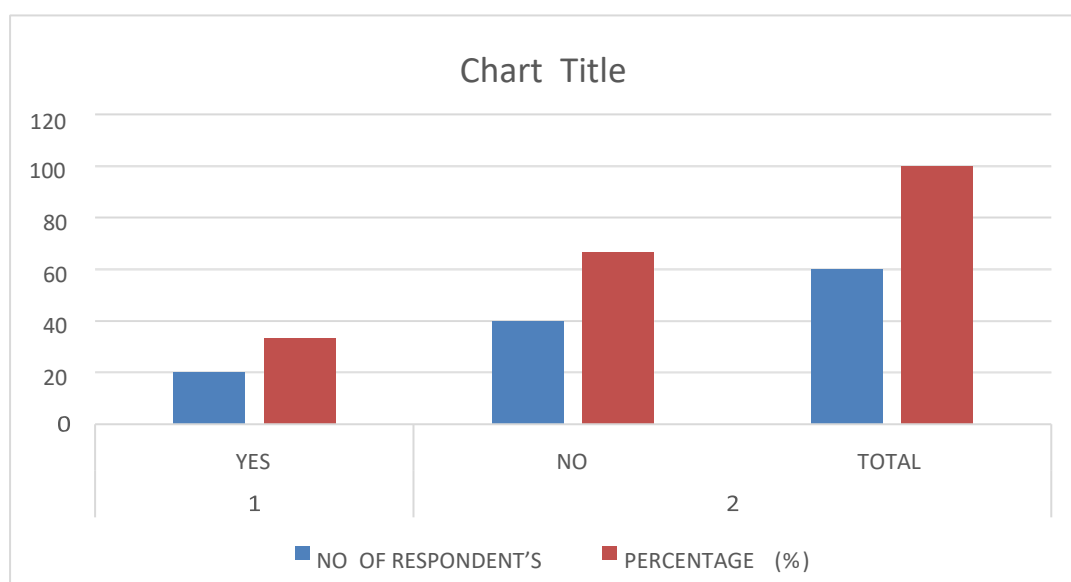
Interpretation: According to the above table, 60% of respondents from SBI Bank concur that performance appraisals are fair in your company, whereas 40% of respondents don't.

Inference: The majority of respondents concur with the statement.

**Table no. 10.2 showing the Respondents of HDFC Bank and showing whether Working Environment is Satisfactory of the Organization.**

SERIAL NO	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	YES	20	33.3333333
2	NO	40	66.6666667
	TOTAL	60	100

**Figure No- 10.2 showing Graphical Representation of Data of Table No.10.2**



Source: Primary data

Interpretation: According to the previous table, 60% of SBI bank respondents believe that performance reviews are fair in their company, while 40% disagree.

Conclusion: The majority of respondents concur with the reality.

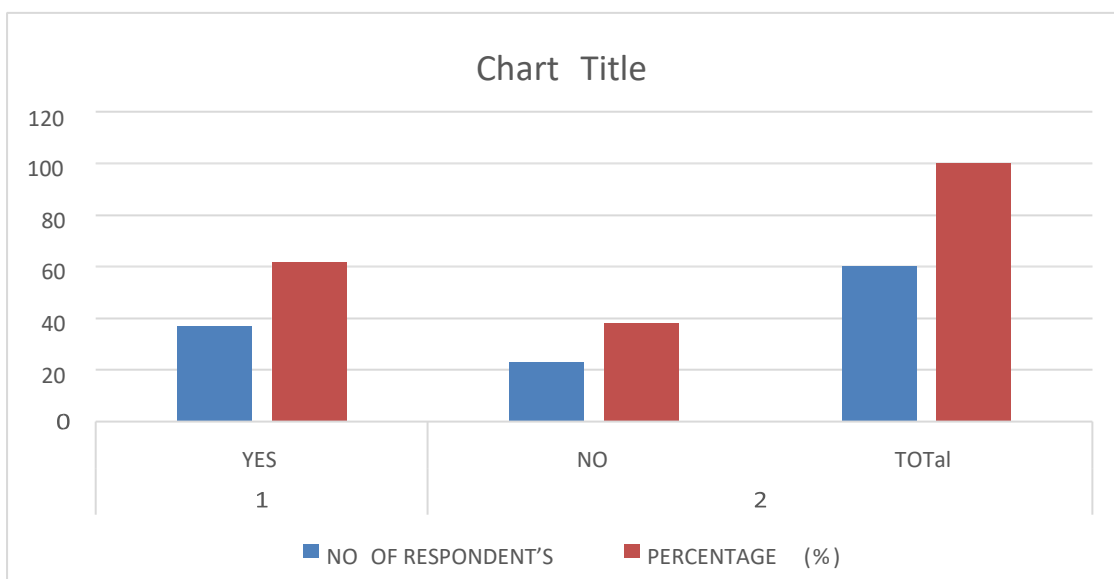
**Conclusion -**

This company is not friendly with the employee. You have to work like a labourer. If you want to take one day leave than you should be take approval from Business Head and that message forward to your immediately manager than cluster manger than ACM. Extensive Work Pressure. We have to work from Monday to Saturday and sometimes Sunday too. In the end NUMBERS/ QUANTITY MATTERS to your boss. No matter the qualities. While in SBI the work life balance is very good here and that doesn't mean everyone works less here. Everyone works extremely hard, but due to SBI's large clientele, the task of a relationship manager gets a little light.

**Table no. 11.1 showing the Respondents of SBI Bank and showing whether organization follow adequate HR Practices.**

SERIAL NO	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	YES	36	60
2	NO	24	40
	TOTAL	60	100

Figure No- 11.1 showing Graphical Representation of Data of Table 11.1



Source: Primary data

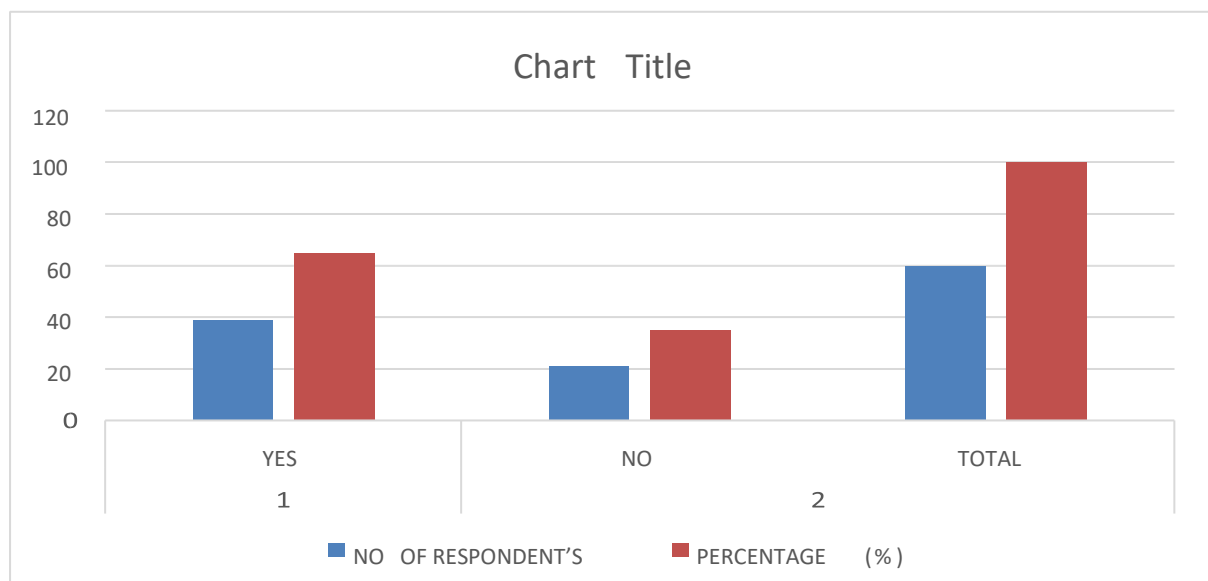
Interpretation: According to the previous table, 60% of SBI bank respondents believe that performance reviews are fair in their company, while 40% disagree.

Conclusion: The majority of respondents concur with the reality.

**Table no. 11.2 showing the Respondents of HDFC Bank and showing whether organization follow adequate HR Practices.**

SERIAL NO	VARIABLES	NO OF RESPONDENT'S	PERCENTAGE (%)
1	YES	41	68.3333333
2	NO	19	31.6666667
	TOTAL	60	100

**Figure No- 11.2 showing Graphical Representation of Data of Table No.11.2**



Source: Primary data

Interpretation: According to the following figure, 68.3% of respondents from SBI Bank concur that performance appraisals are fair at your firm, while 31.6% of respondents don't.

Conclusion: The majority of respondents concur with the reality.

**Conclusion -**

It is reasonable to conclude that there is no major variation in HR policies between public and private sector bank workers. In comparison to public sector banks, the average score of private sector banks reflects positive employee agreement on HR policy. All of this has led banks to believe that internal customers are just as important as external customers, so each bank is attempting to create novel HR strategies in order to attract the best personnel and retain them.

Give them a pleasant working atmosphere so that they can stay with the bank.

## FINDINGS

By performing the above research we have collected certain data which help us to provide certain findings which are as follows:-

1. **Recruitment Policy**-Has a direct impact on the banking industry's HR functions . The hiring practises for bank employees in the public and private sectors differ significantly. The average score of public sector banks reveals that their hiring practises are supported by their staff.
2. **Performance Appraisal Process**- It directly affects HR procedures The average score of private sector banks indicates that private sector bank employees are more satisfied with the performance appraisal process than public sector bank employees. In the banking industry, this means that there is a significant difference in the appraisal process between public and private sector bank employees.
3. **Training** –Has Direct Impact in HR Functioning In Banking Industries this implies that there is significant difference in training process between the employees of public and private sector banks, the average score of private sector banks indicates positive agreement of private sector banks employees as towards Training process as compared to public sector banks.
4. **Working Environment is Satisfactory** Directly Affects HR Operations in the Banking Sector that the working conditions for workers of public and private sector banks varied significantly. Comparing public sector banks to private sector banks, the average score of these institutions reveals higher employee satisfaction.

## **RECOMMENDATIONS**

### **For enhancement HRM in Public Sector Banks:**

At all levels, understanding that HRM is everyone's business must be created, and procedures to do this must be developed.

- To make it more effective, the scope of employee suggestion systems should be increased.
- Encourage participatory and productive practice, as well as constructive recommendations.
- A new computer audit handbook, as well as software access, should be produced.
- Access to information and the dangers associated with it must be evaluated on a regular basis so that changes take place before a problem arise.
- The use of computerized branches is limited to auditing purposes and is not done on a regular basis.
- Before selecting volunteers, a thorough and scientific screening should be done.
- Workers for instruction so that the finest people are chosen for the suitable jobs.
- Training type Banks have to set a high bar.

### **For enhancement in HRM in Private Sector Banks:**

- Officers of private banks should have a consistent level of devotion.
- Assessment Human Resources must lead training and development workshops.
- Department for bank officials whose performance falls short of the expectations, Training aids in the standardizing of performance.
- Bank officials' timely input should be applied to support in motivating them.

Activities such as planning events, games, planting plants, and wishing their Employees' birthdays and other events It assists you in leading a successful and stress-free life.

## **LIMITATIONS OF STUDY**

- The information from respondents (Bank workers) was used to perform the current study. It's possible that the respondents' opinions were distorted.
- Only 2 banks were taken for study is a big limitation.
- As a result, one of the study's shortcomings is the conclusion reached based on such data.
- Another drawback of the study in terms of geographical coverage is the choice of districts where the current investigation was concentrated.
- The statistical methods and methodologies used in the study have limitations of their own.
- Aside from that, the study's other restrictions are resource and time limits. Because of the limitations stated above, consumers are encouraged to utilize the study's findings and recommendations with caution.

## CONCLUSION

In today's competitive world, the banking industry, particularly in developing nations like India, is facing intense competition, a talent deficit, and a skills shortage. All of this has led banks to assume that internal consumers are equally important to them as external ones. As a result, each bank is making an effort to develop unique HR practises to draw in the best talent and give them a pleasant workplace, enabling the banks to retain talent. Employees of privately managed companies are less likely to be supportive of training procedures than employees of public sector institutions. It is considered that because private sector banks place a high importance on training, staff members have a favourable view of it. Performance of employees is assessed in order to provide them with higher pay and promotion chances. In comparison to private sector banks, it is important to note that the public sector banks' performance evaluation system is severely flawed. The continuity of any business connection is crucial. An organisation's dedication and loyalty are strengthened by staff succession, which ultimately promotes growth. However, as you can see from the aforementioned chart, the bank's retention strategy is unpopular with the staff. The Human Resources division of the company places a high priority on recruitment.

Employees in both the public and commercial sectors agreed that recruitment is an important aspect of the HR department's job. The public sector banking organization's competitive advantage is influenced more positively by training, job satisfaction, and recruitment, whereas the private sector banking organization's competitive advantage is impacted more positively by job satisfaction, performance, recruitment, and retention. For public sector banks, factor analysis looks at four significant factors: justice, career progression, reward, and benefits; for private sector banks, it looks at five important factors: compensation, recruitment and reward, incentives and values, carrier growth, and qualification.



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## Annexure Questionnaire

### MAJOR RESEARCH PROJECT

TO STUDY THE HRM PRACTICES IN PUBLIC AND PRIVATE SECTOR BANKS OF INDIA

 nikitasmra7@gmail.com (not shared) [Switch accounts](#) 

\*Required

1. Gender \*

- MALE
- FEMALE
- PREFER NOT TO SAY

2. Working For which bank? \*

- HDFC
- SBI

3. Does your organization uses standardized recruitment policy? \*

- Yes
- No

4. Appointment/Hiring in this organization is done on merit basis? \*

- Yes
- No

5. There is written and Formal performance Appraisal? \*

- Yes
- No

6. Does your organization have regular training program? \*

Yes

No

7. Is Performance Appraisal fair in your organization? \*

Yes

No

8. Performance based Incentives are given? \*

Yes

No

9. Employees are given performance based feedback and counselling? \*

Yes

No

10. There are corrective measures for under Performance? \*

Yes

No

11. Working Environment is Satisfactory? \*

Yes

No

12. Does your organization follow adequate HR Practices? \*

Yes

No

Any Suggestions you want to give for enhancing the HR practices in your Bank

Yes

No

12. Does your organization follow adequate HR Practices? \*

Yes

No


Any Suggestions you want to give for enhancing the HR practices in your Bank

Your answer

Submit

Clear form

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