

**HR PRACTICES IN TAMILNAD MERCANTILE BANK LIMITED-EMPLOYEES’
PERSPECTIVE**

DR.K.J.SUNMISTA*
DR.K.RAJESWARI**

*Assistant Professor, Research Centre in Commerce, SFR College for Women, Sivakasi, Tamilnadu, India

**Associate Professor and Head Research Centre in Commerce, SFR College for Women, Sivakasi, Tamilnadu, India

“An individual shall approach his work with total commitment. He should focus on the details of the task, uncluttered by concerns of the ultimate results. This approach focuses on a stress free attitude supported by dynamic deeds and leads to sustained glory and success for the entity as well as the individual”.

Bhagavat Gita (2.47)

ABSTRACT

In competitive global economy, the job of human resource management has become confined where the focus is not only on retaining highly performing employees, but also directing their performance towards business goals. As such companies need to create a professional environment and move the organization towards better performance management practices. Like many other organized sectors, banking requires a multi - layer manpower for its various requirements of professionals and support staff. The range may require reasonably educated security guards on the one end and a highly educated and trained professional as head of corporate finance at the other. As there is no full fledged study on the personnel management practices of a private sector bank covering all range of employees- high level, medium level and lower level, the researcher is urged to study the human resource management practices of Tamilnad Mercantile Bank Limited, a leading and older private sector bank in India. This article discuss the human resource management practices implemented by the bank from employees perspective.

KEYWORDS: Attitude, Employees, HRM practices, Reliability, TMB

INTRODUCTION

Every organization irrespective of its nature is made up of people. Utilizing employees’ services, developing their skills, motivating them to reach higher level of performance and ensuring that they continue to maintain their commitment towards the organization are essential in attaining organizational objectives. Organizations which are able to acquire, develop, stimulate and retain outstanding employees are effective and

efficient. Human resources thus play a vital role either in the success or failure of an organization.

Like many other organized sectors, banking requires a multi - layer manpower for its various requirements of professionals and support staff. The range may require reasonably educated security guards on the one end and a highly educated and trained professional as head of corporate finance at the other. With liberalization of activities within the banking sector, for example, more emphasis on consumer and house finance and personal loans, etc. banking has turned itself into a more market-based business where banks have expanded their reach more to customers' door steps in a big way making banking more practical. This has further highlighted the need for proper deployment of man-power to run banks efficiently. (Arthur JB, 1994)

STATEMENT OF THE PROBLEM

Success stories of large banking companies have been evident of the fact that HRM is quite different from management of physical assets (Taifur Reza Sharif) There is a wide spread apprehension that public sector banks when compared to private sectors banks are adopting well formulated HR practices which reflect in employees higher levels of job satisfaction. Thus there is a need for a study on Private sector banks employees' perception on implementation of Human resource Management practices at their bank.

As there is no full fledged study on the personnel management practices of a private sector bank covering all range of employees- high level, medium level and lower level, the researcher is urged to study the human resource management practices of Tamilnad Mercantile Bank Limited, a leading and older private sector bank in India. This research is made to examine the human resource management practices implemented by the bank from employees perspective.

SCOPE OF THE STUDY

The research work is carried out based on the opinion survey conducted from the bank employees regarding the implementation of human resource management practices at TMB. It was studied from the point of view of three groups of employees- Executives, Officers and Clerks. Tamilnad Mercantile Bank Limited, a private sector bank, set up in 1921 had only four branches until 1947 at Tuticorin, Virudhunagar, Sivakasi and Madurai. Since the bank had its origin in the Tuticorin, Virudhunagar, Sivakasi and Madurai towns and the growth of

the bank in various spheres was witnessed in these four towns, the researcher was interested to choose the Tuticorin, Virudhunagar, and Madurai districts as the study area. All the employees excluding sub-staff in 46 branches of TMB in the identified districts were included in the study.(Annexure. I)

RELATED REVIEW

Gopalsamy.R (1989) has studied the various aspects of the personnel management situations prevailing in the bank. He observed that the employees are recruited mainly from district employment office and the promotion policies adopted by the bank do not give satisfaction to the employees of the bank.

Aycan et al., 2000 in his studies revealed that there is association between HR practices and employee performance in banking sector.

Tahir et al., (2010) concluded that all HRM variables namely selection, training, performance appraisal system, compensation system and employee participation have a positive relation and impact on financial performance of banks.

Even though, the studies related to human resource management practices are too many, there is no exclusive study on the Human resource management practices of any individual private sector bank. Hence the present study has made an attempt to fill up the research gap and the research work was carried out in Tamilnad Mercantile Bank Limited on its Human resource Management Practices.

OBJECTIVES OF THE STUDY

The objectives of the present study are-

1. To reveal the profile of the employees of Tamilnad Mercantile Bank Limited in the study area.
2. To analyze the employees' attitude towards the implementation of Human Resource Management Practices at TMB.

RESEARCH METHODOLOGY

Tamilnad Mercantile Bank Limited has its branches throughout India, but the researcher has taken the samples only from three conveniently selected districts – Tuticorin, Madurai and Virudhunagar, hence it is a convenient sampling technique. But in the selected

districts all the branches are included and all the employees are surveyed by adopting the census survey method.

Both primary and secondary data were used in the present study. The secondary data were collected from the Head Office of TMB, Tuticorin and the primary data were collected from the employees working in the branches of the identified districts with the help of structured questionnaire. The collected data were processed with the help of appropriate statistical tools like Analysis of variance, Confirmatory Factor Analysis (CFA) and Correlation analysis

SOCIO-ECONOMIC PROFILE OF EMPLOYEES

An attempt has been made by the researcher to present the socio-economic profile of the employees of TMB. The sampled employees are divided into three categories based on their designation since the designations have its own influence on their level of perception on human resource management practices in the bank (TMB). The distribution of employees according to their designation is shown in Table 1.1.

TABLE – 1.1 Distribution of Sampled Employees on the basis of their Designation

S.no	Designation	Number of employees	Percentage to the total
1.	Clerks	267	61.80
2.	Officers	116	26.85
3.	Executives	49	11.35
Total		432	100.00

Source: Primary data.

Table-1.1 discloses that out of 432 employees, 61.80 per cent of the employees working at the sampled bank branches are clerks whereas 26.85 per cent are officers. The remaining 11.35 per cent of the employees are executives. It shows the dominance of the clerical designation among the employees at the branches of Tamilnad Mercantile Bank Limited.

Findings on other profile variables(Annex-II)

The study shows the dominance of the clerical designation (62%), male gender (74%), married employees (79%), rural nativity (55%), backward class (89%) and middle aged group (62%) among the employees at the branches of Tamilnad Mercantile Bank Limited. The analysis also infers that the officers and executives have a post graduation degree along with CAIIB whereas most of the clerks are having only under-graduate degree.

47.22 per cent of the total employees are having moderate experience (5 to 15 years), 44.9 per cent of the employees are having agriculture as their occupational background and 39 per cent of the employees are in the annual income group of less than three lakhs.

RELATIONSHIP BETWEEN PROFILE OF THE EMPLOYEES AND THEIR ATTITUDE TOWARDS HRM

The null hypotheses framed for analysis is -“There is no significant relationship between the socio-economic profile of the employees and their attitude towards the human resource management practices implemented at TMB”. In this foregoing analysis, the relationship of each profile variables and the Employees’ overall attitude towards the human resource management practices has been studied with the help of correlation analysis and the results are tabulated in Table 1.2.

Table – 1.2 Simple Correlation of Profile Variables with the Overall Attitude towards PM practices

Sl.No.	Factors	Correlation coefficient	Table value “r”	Significance
1.	Age	0.076	0.125	Not significant
2.	Nativity	-0.216	0.125	Significant
3.	Marital status	0.073	0.125	Not significant
4.	Social status	-0.128	0.125	Significant
5.	Education	0.139	0.125	Significant
8.	Years of experience in the field	0.037	0.125	Not significant
9.	Occupational background	0.007	0.125	Not significant
10.	Annual income	0.018	0.125	Not significant

Source: Primary data

Table-1.2 highlights that the significantly correlated profile variables with the overall attitude towards the human resource management practices of the bank are nativity, social status and education since their correlative coefficients are significant at five per cent level.

Hence the null hypothesis is proved in the case of the profile variables Age, Marital status, Years of experience, Occupational background and Annual income of the employees which has no influence over their overall attitude towards the personnel management practices of the bank.

EMPLOYEES’ ATTITUDE TOWARDS HRM

The overall attitude toward HR management practices at the TMB has been measured with the help of the rate of implementation of human resource planning practices, recruitment and selection practices, training and development practices, motivation practices, career development practices, compensation management practices, labour welfare practices,

supervisory support practices, employer-employee relationship practices, performance appraisal practices and human resource development practices at the bank.

The employees' views on the implementation of Human Resource Management practices at TMB have been measured with the help of 93 related variables using Likert's five point scale according to the order of existence at their bank. The mean score of each HRM practice implemented at the bank as per the view of clerks, officers and executives have been measured separately. The one-way analysis of variance has been executed to find out the significant difference among the three groups of staff regarding their view on the implementation of the HR Practices. The results are shown in Table-1.3

TABLE – 1.3 Overall Attitude on Human Resource Management Practices at TMB

Sl.No.	Variables in PMP	Mean score among			'F' statistics
		Clerks	Officers	Executives	
1.	Recruitment and selection Practices	3.0884	3.6117	3.8084	3.1173*
2.	Training and development Practices	2.9697	3.5049	3.8809	3.0996*
3.	Motivational Practices	2.8084	3.2909	3.7182	3.0881*
4.	Compensation management Practices	2.4543	3.1778	3.2996	2.4544
5.	Labour Welfare practices	2.6884	3.2667	3.5941	3.1179*
6.	Supervisory support practices	2.5991	3.1174	3.8044	3.4182*
7.	Performance appraisal Practices	2.7334	3.3084	3.7969	3.1179*
8.	Human resource development Practices	2.9192	3.2664	3.8491	3.0886*
9.	Career development practices	2.5886	3.3894	3.7331	3.2104*
10.	HR planning practices	2.6674	2.9976	3.3886	2.0445
11.	Employer-Employee relationship practices	2.6332	3.0643	3.7756	3.5086*

The highly viewed HR management practices by the clerks and officers in TMB are recruitment and selection practices since their mean score are 3.0884 and 3.6117 respectively. Among the executives, these are training and development and human resource development practices since their mean scores are 3.8809 and 3.8491 respectively.

Regarding the view on variables in HR management practices, the significant difference among the three group of employees have been noticed in their attitude on nine practices except Human resource Planning practices and Compensation Management Practices since their respective 'F' statistics are significant at five per cent level. Hence it can be concluded that the practices involving promotion, transfer, pay-scales and other monetary benefits to the employees are scientific, rational and free from bias as the three cadres of employees are not differing in their attitude.

Reliability and Validity of Variables in HRM

The score of the variables in HR Management practices among the employees have been included for the confirmatory factor analysis to examine the reliability and validity of variables in it. The Cronbach alpha has been computed to test the overall reliability of the variables in HRD practices. The results are given in Table-1.4.

TABLE – 1.4 Reliability and validity of variables in HRD practices

Sl.No.	Variables	Standardized factor loading	't' statistics	Composite reliability	Average variance extracted
1.	Recruitment and selection Practices	0.9149	4.1244*	0.8013	55.09
2.	Training and development Practices	0.8809	3.8891*		
3.	Motivational Practices	0.8242	3.7099*		
4.	Compensation management Practices	0.8044	3.6816*		
5.	Labour Welfare practices	0.7865	3.4011*		
6.	Supervisory support practices	0.7504	3.2886*		
7.	Performance appraisal Practices	0.7318	3.0441*		
8.	Human resource development Practices	0.6779	2.6896*		
9.	Career development practices	0.6507	2.4541*		
10.	HR planning practices	0.6314	2.2496*		
11.	Employer-Employee relationship practices	0.6019	2.1048*		
Cronbach alpha: 0.8342					

*Significant at five per cent level

The results of the table 1.4 shows that the standardized factor loading of the variables in HRD practices are varying from 0.6019 and 0.9149 which reveals the content validity of the variables. The 't' statistics of the standardized factor loading of the variables in HRD practices are significant at five per cent level which indicates the convergent validity. It is also confirmed by the composite reliability and average variance extracted since these are greater than its minimum threshold of 0.50 and 50.00 per cent respectively. The variables in HRD practices explain its reliability to the extent of 83.42 per cent as the Cronbach alpha is 0.8342.

SCORE ON OVERALL ATTITUDE TOWARDS HRM PRACTICES AT TMB

The score of the 11 variables in HRM practices have been included for reliability analysis. The Cronbach's Alpha (0.8244) reveals that the included 11 variables in personnel management practices explain its reliability to an extent of 82.44 per cent. The resultant score on overall attitude of the employees towards the personnel management practices are given in Table-1.5

TABLE – 1.5 Score on Overall Attitude towards Human resource Management Practices

Sl.No.	Score on HRMP	Number of employees			Total
		Clerks	Officers	Executives	
1.	Less than 2.00	20 (7.49)	8 (6.89)	–	28 (6.48)
2.	2.00–3.00	65 (24.34)	14 (12.06)	8 (16.32)	87 (20.14)
3.	3.01–4.00	134 (50.18)	63 (54.31)	15 (30.61)	212 (49.07)
4.	Above 4.00	48 (17.97)	31 (26.72)	26 (53.06)	105 (24.31)
Total		267	116	49	432

Source: Primary Data. (% to total are given in brackets)

The overall attitude of the employees towards the human resource management practices of TMB is above the satisfactory level as 49.07 per cent of the employees are in the mean score range of 3-4 and 24.31 per cent of the employees are in the mean score range of above 4. As 53 percent of the executives are in the score range of above 4, it can be concluded that the overall attitude on the implementation of the Human Resource Management practices is identified as higher among the executives than the officers and clerks. This may be due to the reason that the executives are in the higher level of the management hierarchy and are participating in all the managerial decisions. So they perceived the practices of the bank in a better and positive way than the other cadres of the employees.

SUGGESTIONS TO ENHANCE EMPLOYEE DEVELOPMENT

1. TMB may approach and make use of the external training agencies to train their employees on utilization of computers, language abilities, work culture of similar banks and so on.
2. TMB can make use of Open house discussions, employee-management meets, suggestion boxes and ideas capture tools such as Critical Incidents diaries that can help the management to identify and develop talent of the employees.
3. TMB can plan for the implementation of the Goal sharing process in their bank for the purpose of ensuring employee motivation and satisfaction.
4. HR department of Tamilnad Mercantile Banks is advised to get awareness about the changing age and social profile of their employees and tailor their policies accordingly. The "one size fits all" approach will not succeed in future.
5. The bank can recreate a congenial working atmosphere that can serve as an implicit compensation for the employees and can act as a potent retaining force.

6. The bank may conceptualize and nurture its brand value as an employer so as to attract the best people to work for them.
7. The bank can evaluate the HR function itself by setting specific targets and goals and measuring achievements against them.

CONCLUSION

Today banking services are vital for the people. It is the bank employees who help the customers in procuring quality banking services at a faster rate and enable the productivity and profitability of the banks. Their importance is a major factor which decides the success of the banks. By the research work, an old private sector bank- Tamilnad Mercantile Bank Limited was studied for its HR management practices from the views of its employees and the results were found to be favourable to the bank regarding its practices. These types of researches in public sector banks, new private sector banks, foreign banks and other financial sector will surely give reliable information for policy implementations by Reserve Bank of India and the labour productivity of banks will grow to a great extent.

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Annexure-I Distribution of Sampled Branches and Employees

District	Number of Branches	Number of clerks	Number of Officers	Number of Executive officers
Tuticorin	21	104	37	22
Virudhunagar	12	85	34	12
Madurai	13	78	45	15
Total	46	267	116	49

Annexure-II Distribution of Employees on the basis of Gender

Sl.No.	Gender	Number of employees			Total
		Clerks	Officers	Executives	
1.	Male	188 (70.41)	88 (75.86)	43 (87.76)	319 (73.84)
2.	Female	79 (29.59)	28 (24.14)	6 (12.24)	113 (26.14)
Total		267	116	49	432

Distribution of Employees on the basis of Marital Status

Sl.No.	Marital status	Number of employees			Total
		Clerks	Officers	Executives	
1.	Unmarried	68 (25.17)	24 (20.69)	12 (24.49)	104 (24.07)
2.	Married	199 (74.53)	92 (79.31)	37 (75.51)	328 (75.93)
Total		267	116	49	432

Distribution of Employees on the basis of Nativity

Sl.No.	Nativity	Number of employees			Total
		Clerks	Officers	Executives	
1.	Rural	147 (55.06)	66 (56.89)	26 (53.06)	239 (55.32)
2.	Urban	120 (44.94)	50 (43.09)	23 (46.94)	193 (44.68)
Total		267	116	49	432

Distribution of Employees on the basis of Social Status

Sl.No.	Social status	Number of employees			Total
		Clerks	Officers	Executives	
1.	Scheduled caste	15 (5.61)	1 (0.86)	-	16 (3.7)
2.	Backward caste	229 (86.97)	109 (93.97)	46 (93.88)	384 (88.9)
3.	Forward caste	23 (8.61)	6 (5.13)	3 (6.12)	32 (7.4)
Total		267	116	49	432

Distribution of Employees on the basis of Age

Sl.No.	Age group	Number of employees			Total
		Clerks	Officers	Executives	
1.	Young	105 (39.32)	11 (9.48)	13 (12.75)	116 (26.85)
2.	Middle	150 (56.17)	74 (63.79)	56 (54.90)	238 (55.09)
3.	Aged	12 (4.37)	31 (26.72)	33 (32.35)	78 (18.06)
Total		267	116	49	432

Distribution of Employees on the basis of Education

Sl.No.	Level of education	Number of employees			Total
		Clerks	Officers	Executives	
1.	Under graduation	191 (71.53)	21 (18.10)	9 (18.36)	221 (51.15)
2.	Post graduation	60 (22.49)	38 (32.75)	19 (38.71)	117 (27.08)
3.	Others	16 (5.99)	57 (49.13)	21 (42.85)	94 (21.75)
Total		267	116	49	432

Distribution of Employees on the basis of Years of Experience

Sl.No.	Experience	Number of employees			Total
		Clerks	Officers	Executives	
1.	Lesser experienced	105 (39.32)	28 (24.14)	–	133 (30.78)
2.	Moderate experienced	150 (56.17)	39 (33.62)	15 (30.61)	204 (47.22)
3.	Highly experienced	9 (3.37)	52 (44.82)	34 (69.39)	95 (21.99)
Total		267	116	49	432

Distribution of Employees on the basis of Occupational Background

Sl.No	Occupational background	Number of employees			Total
		Clerks	Officers	Executives	
1.	Employment	89 (33.33)	38 (32.75)	11 (22.44)	138 (31.94)
2.	Agriculture	121 (45.31)	52 (44.83)	21 (42.85)	194 (44.90)
3.	Self employment	57 (21.34)	26 (22.41)	17 (34.69)	100 (23.15)
Total		267	116	49	432

Distribution of Employees on the basis of Annual Income

Sl.No.	Annual income	Number of employees			Total
		Clerks	Officers	Executives	
1.	Low (below 3 lakh)	148 (55.43)	21 (18.10)	–	169 (39.12)
2.	Medium (3.01 to 7.00 lakh)	86 (32.20)	34 (29.31)	9 (18.63)	129 (29.86)
3.	High (above 7 lakh)	33 (12.35)	61 (52.58)	40 (81.63)	134 (31.02)
Total		267	116	49	432

Source: Primary data.

(% to total are given in brackets)