



A Relative High Performance Management in Public and Private Banks of Latur District

Nishikant C. Warbhuwan

Assistant Professor, School of Management Sciences, S.R.T.M. University, Sub-Centre, Latur, India

ABSTRACT

A Relative High Performance Management in Public and Private Banks of Latur District paper analyzes the difference between the way public and private banks implements high performance strategy through investment in skills and abilities of employees, design work to help employee in problem solving and provide incentives to motivate them to utilize their full efforts through employee involvement, skill enhancement and motivation

KEYWORDS

High Performance Management, HRM, Strategic human resource management

1. Introduction

The study of banking remains as interesting as ever because of its breadth and constant development. India's banking industry witnessed substantial growth in terms of business levels and is all set to scale new heights in the inclusive environment. Indian banking industry is expected to witness better growth prospects in 2015 as a sense of optimism stems from the Government's measures towards revitalizing the industrial growth in the country. (Aranca 2015).

The liberalization, economic reforms and technological modernization forced banking sector to necessarily become competitive. This competitiveness generated need of competitive people. Each bank started taking human resource decisions with respect to their competitor bank. This gave rise to implementation of strategic human resource management, where human resource strategies are formulated with respect to the competitor. The study is about one of the human resource strategy, the high performance management strategy. High performance management strategies invest in the skills and abilities of employees, design work to help employee in problem solving and provide incentives to motivate them to utilize their full efforts through employee involvement, skill enhancement and motivation. A comparative analysis of high performance strategy in public and private sector banks is made.

1.1 High Performance Management Strategy

High-performance management aims to make an impact on the performance of the firm through its people in such areas as productivity, quality, and levels of customer service, growth, and profits and, ultimately, the delivery of increased shareholder value. High-performance management practices include rigorous recruitment and selection procedures, extensive and relevant training and management development activities, incentive pay systems and performance management processes (Armstrong, M. 2006)

1.2 Statement of the Problem

It is the challenge for bank to make sure that they have the capability to find, assimilate, compensate and retain talented individuals they need. According to Khandelwal committee report (Khandelwal, Phatak, & Rao, June 2010) Manage and develop human resource properly in a fast changing and competitive environment, decrease attrition rate, create and retain skilled human resource are some other problems in bank.

1.3 Objective of the Study

To study and compare high performance management strategies employed by public and private banks in Latur district.

1.4 Hypothesis

H0: The high performance management strategies employed by public and private banks in Latur district are alike.

1.5 Literature Review

(Becker, Brian and Huselid Mark, 1998) They analyzed the need of high performance strategy in the organizations and suggested that the organizations should make a considerable investment in the high performance management strategy to get highly committed employees, this will produce well trained, skilled and empowered people.

(Kagnis P and Kareklis P, 2001) They made comparative analysis of public and private sector bank managers to know about implementation of high performance management strategy. They found a considerable disparity in alignment of manager's interests with bank objectives, private banks showed more alignment of interests with organizational objectives over public banks and also private banks had strict control system to align manager's interests with bank objectives. There was a relation between pay and performance of private bank managers which was not found in public banks.

(Garg Naval, 2013) He found that difference in high performance management of public and private banks where it was interesting to know that even though both sector banks got similar opportunities and challenges in the market, private bank employees were more aware about high performance management than public bank employees. Hence a need arises to make such awareness in public bank employees.

(Bhatnagar Deepali, 2014) She focused the difference between public and private sector banks in their performances. The high performance strategies found distinct in public and private banks because of their distinct background and work culture. The work culture of public banks was based on the concept of socio-economic responsibility, where profitability is secondary. Besides that private sector banks primarily worked for profit.

2. Research Methodology

Table 2.1 Research Design

Sr. No.	Parameter	Description
1	Type of Research	Ex post facto descriptive type research
2	Universe	Public and Private banks in India
3	Sampling Unit	Branch Managers, Bank Employees

4	Sample Size	356 (178 from each sector)
5	Sampling Method	Simple Random Sampling
6	Research Method	Survey Method
7	Research Instrument	Structured questionnaire, observation and interview
8	Sources of Data	Primary and Secondary data sources
9	Primary Sources	Structured questionnaire, observation, interview and field survey
10	Secondary Sources	Journals, Articles, Magazines, Digital library, Books, RBI bulletins, Newspapers and Websites
11	Measurement Scales	Nominal
12	Questions Types	Five Point Likert Scale
13	Data Interpretation	Through graphs, descriptive statistics and inferential statistics
14	Statistical Tools	Mode, Standard deviation, Z test, Chi-square
15	Significance Level	0.05

3 Data Analysis and Interpretation

H₀: The High Performance Management Strategies employed by public and private banks in Latur district are alike.

The table presents the responses of employees from public and private banks. Count and percentage of responses tabulated between type of bank and file alternatives of high performance management strategy. The responses were analyzed to see the degree of association between variables and significant difference between column proportions.

The z test used to indicate significant difference with APA-style formatting using subscript letters. There is a significant difference between strongly agree, agree, neutral, disagree, and strongly disagree in public and private banks because each subscript letter displays different subscript letters viz. 'a', 'b' and 'a, b'.

3.1 Chi-Square Tests for High Performance Management Strategy

The table represents cross-tabulation of a categorical variable and a multiple response set. It performs a chi-square test of independence on the cross-tabulation. Chi-square tests are performed on counts.

Table 3.2 Chi-Square Tests for High Performance Management Strategy

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	25.129 ^a	4	.000
Likelihood Ratio	26.417	4	.000
Linear-by-Linear Association	11.438	1	.001
McNemar-Bowker Test	.	.	^b
N of Valid Cases	356		

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 1.00.

b. Computed only for a PxP table, where P must be greater than 1.

Rejected

Above table shows Asymp. Sig. (2-sided) value is .000, with 4 degree of freedom at 5 per cent level of significance. Here the significance value is less than the standard significance value.

Table 3.1 Cross Tab Between Type of Bank and High Performance Management Strategy

Type of Bank		High Performance Management Strategy							S.D.
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Mode	
Public Bank	Count	29 _a	105 _b	38 _b	4 _{a, b}	2 _{a, b}	178	2	0.740
	%	16.3%	59%	21.3%	2.2%	1%	100%		
Private Bank	Count	63 _a	88 _b	18 _b	9 _{a, b}	0 _{a, b}	178	2	0.794
	%	35.4%	49.4%	10.1%	5.1%	0.0%	100%		
Total	Count	92	193	56	13	2	356		

Each subscript letter denotes a subset of high performance management strategy categories whose column proportions differ significantly from each other at the .05 level.

ue ($p <$) hence the null hypothesis is rejected.

The null hypothesis “The High Performance Management Strategies employed by public and private banks in Latur districts are alike.” is **rejected**.

From above statistical analysis it can be interpreted that, the high performance management strategies employed by public and private banks in Latur district are different. Also since chi square value is equal to zero it means that variables are independent.

3.2 Symmetric Measures for High Performance Management Strategy

Since null hypothesis H_0 is rejected, it is required to determine the strength of the association using an appropriate statistics like Phi Coefficient, Cramer’s V.

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Nominal by Nominal	Phi	.266			.000
	Cramer’s V	.266			.000
No. of Valid Cases		356			

In the above table Phi Coefficient value is 0.266. The Phi Coefficient is not equal to zero. It means that there is an association between type of bank and implementation of high performance strategy i.e. implementation of high performance strategy varies with type of bank. Further it can be said that the strategies are implemented differently in these two bank sectors

The Crammer’s V value is also 0.266 which shows that the degree of association is weak. Since there is no association in variables or The Crammer’s V value is not zero the null hypothesis is **Rejected**

For the five options respective score was allotted. Total score of public bank was 689 and of private bank were 739. It shows that private banks are better in the implementation of high performance strategies; Private Banks are more competitive in achieving high performance. Their shared belief in people that they are primary source of competitiveness and sustainability created a climate of trust and teamwork. The decentralization of power and job uncertainty made private banks more flexible than public banks. Public banks are highly formalized and country specific, Objectives are formulated by circle office and zonal office; the branch level employees are only following these offices without their involvement in setting the bank objectives. Government intervention and other government schemes in public banks overburdened the banker’s job by compromising the quality customer service and high performance management.

4. Conclusion

The overall implementation of high performance management strategies in Public and private banks observed different in various respects. Private Banks found more competitive in achieving high performance. Their shared belief in people that they are primary source of competitiveness and sustainability created a climate of trust and teamwork in them. The decentralization of power and job uncertainty made private banks more flexible than Public banks. Besides Public banks are highly formalized and country specific, objectives are formulated by circle office and zonal office; the branch level employees are only following these offices without their involvement in setting the bank objectives, also government intervention and other government schemes in Public banks overburdened the banker’s job by compromising the quality customer service and

high performance management.

The literature reviewed earlier illustrated comparative details about high performance management strategies where private banks showed more alignment of interests with organizational objectives over public banks and also private banks had strict control system to align manager’s interests with bank objectives. Even though both sector banks got similar opportunities and challenges in the market, private bank employees found more aware about high performance management than public bank employees. The work culture of public bank was based on the concept of socio-economic responsibility, where profitability is secondary when private sector banks primarily worked for profit. To conclude it can be stated that the way high performance management strategies implemented is distinct in public and private banks

5. References

1. Armstrong, M. (2006) Strategic Human Resource Management A Guide to Action, Fourth Edition, London, UK: Kogan page
2. Becker, Brian and Huselid, Mark. (1998). *High Performance Work Systems and Firm Performance: A Synthesis of Research and Managerial Implications*.
3. Bhatnagar Deepali (2014). *Criticality of Human Resource Processes in Indian Banking Industry*, International Journal of Business Management, 9
4. Garg Naval (2013). *Sectoral Variations in High Performance Work Practices: The Indian scene*. International Journal of Advanced Research in Management and Social Sciences, 2 (11)
5. Kangis P and Kareklis P. (2001) *Governance and Organizational Controls in Public and Private Banks*, Corporate Governance. 1 (1), 31-38.
6. Khandelwal, Phatak, S., & Rao. (June 2010) *Report of The Khandelwal Committee*
7. IBA (1949) The Banking Regulation Act of 1949
8. Aranca (2015) Planning Commission, Aranca Research
9. <https://www.rbi.org.in/scripts/publications.aspx>