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Human Resource Audit In Banks With Reference To State Bank Of India And Bank Of Baroda

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ABSTRACT

Human Resource (HR) audit plays a crucial role in assessing the effectiveness and efficiency of human resource management within financial institutions. This paper focuses on conducting an HR audit in banks, specifically with reference to two prominent Indian banks: State Bank of India (SBI) and Bank of Baroda (BoB). The study aims to analyze the HR policies, procedures, and practices in these banks, evaluating their alignment with organizational goals, regulatory compliance, and employee satisfaction. The audit process includes assessing key HR functions such as recruitment, training, performance management, compensation, and employee relations.

INTRODUCTION

Human Resource Audit (HRA) is a process of systematically reviewing and evaluating the effectiveness, efficiency, and impact of human resources (HR) policies, practices, and systems within an organization. In the context of banking, an HR audit is a crucial tool for assessing the alignment between the bank's HR activities and its strategic goals. For financial institutions such as State Bank of India (SBI) and Bank of Baroda (BoB), HR audit plays a vital role in ensuring the optimal utilization of human capital, which directly influences organizational performance, customer satisfaction, and regulatory compliance.

The banking sector, being one of the most dynamic industries in India, demands a high level of efficiency, adaptability, and skill from its workforce. With the advent of technology, changing customer expectations, and evolving regulatory frameworks, the role of HR has become more critical in enhancing the overall productivity of banks.

STATEMENT OF PROBLEM

The Vital Documents and Contracts are constantly missing or wrong and Training not been taken seriously. Employers are failing to pay at last the minimal pay envelope and Longstanding Performance issues get ignored. The majority of users use electronic banking Services more frequently today in the banking industry. The banking sector is heavily regulated, with frequent changes in compliance requirements. Ensuring that HR practices within SBI and BOB align with these regulations while maintaining efficiency and competitiveness is a significant challenge . Both money and time are saved, From the view point of the customers a move towards technology banking offers a practical and efficient method of managing Finances that is freely available 7 days a week, 24 hours a day.

OBJECTIVE

1. To Study how HR Audits affect Employee discipline across various Employee Cadres. 2. To Analyse the HR Audit model by Employees Performance and Organizational
effectiveness

3. To Evaluate the Effect of HR Audits on Work Culture.

4. To identify how HR Audit improved in Industrial Relations.

5. To Analyse the HR Audit in Bank of India and Bank of Baroda

IV.SCOPE OF STUDY

The HR department's actions must be included in the human resource audit, as well as activities outside of it, because general population issues do not only affect the HR division. Consequently, the audit's scope should be wide. It must assess the personnel function, the managers' application of its policies, and the results of the workers subsequent behaviour.

1. Audit of human resource function.
2. Audit of managerial compliance.
3. Audit of the human resource climate.
4. Audit of corporate strategy.

V.RESEARCH METHODOLOGY

The current study falls under the category of a descriptive survey because it is exploratory in character. It was suggested that in order to give systematic and scientific explanations, both primary and secondary sources of information should be used as a conclusion. A self-made questionnaire was created for the purpose of gathering primary data and the chosen sample (Banks) underwent an administered. The researcher's secondary data
has utilised every available written resource, including newspapers, periodical, Reports, articles, websites of the RBI and other chosen banks, etc. Consequently, the employing the proper statistical methodology, collecting data and interpreting the results accordingly.

SAMPLE SIZE

A Sample is a part of target population selected from the universe to constitute a sample. From the total of 200 Respondents.

LIMITATIONS OF THE STUDY

The study is conducted for the period of 2024 -2025. The accuracy of data depends upon the information by the respondents. Its concentrated to only HR Audit with reference to Bank of India and Bank of Baroda in Coimbatore city. Only the interest person can effectively leave this study.

SOURCES OF DATA

Under this study both Primary and Secondary data are used. This study is conducted to know all the elements in HR Audit with reference to banks.

PRIMARY DATA

Primary Data was collected through the interview with the help of questionnaires. It is collected from the potential respondents in Coimbatore city.

The question included were:

- Open ended question
- Close ended question

SECONDARY DATA

Secondary data refers to the data that already collected and analysed by someone else. The Secondary data was collected from internet, articles, journals, websites and magazines.

VI.REVIEW OF LITERATURE

Majumdar, Shyamal (2020) in his editorial column in the business standard holds the view that HR audit, Strategic Training Unit, leadership development SBI is doing all that it takes to be an employer of choice. 'Employer of choice' is not a branding that the country's largest bank is used to. But it finally happened when the State Bank of India (SBI) figured in the list of the top 10 employee friendly Indian organizations in a Business Today survey. It was a surprise as the hurdles were many. The public sector legacy means that the SBI management's hands are tied.

Saha, Manojit (2019) in an article on Reserve Bank's biggest HR audit gets tepid response expressing the view that the Reserve Bank of India (RBI) has embarked on its biggest ever human resources (HR) audit programme to take a complete relook at its man management practices. HR audit, regarded as a diagnostic tool rather than a prescriptive instrument, is a process which examines the organization's HR policies and procedures to reveal the strengths and weaknesses of employees and suggests solution, wherever required.

VII. RESEARCH FINDINGS

CHI-SQUARE TEST ANALYSIS

The chi-square statistic compares the observed values to the expected values. This test statistic is used to determine whether the difference between the observed and expected values is statistically significant or not**.**

1.GENDER AND APPRAISAL SYSTEM

Null Hypothesis(H_0): There is a no significant relationship between the Gender and Appraisal System.

Gender * Appraisal System Crosstabulation Count

Appraisal System Total

		Extremely Satisfied	Moderately Satisfied	Neutral	Dissatisfied	
Gender	Female	30	44	23	2	99
	Male	40	49	9	3	101
Total		70	93	32	5	200

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.003[a]	3	.046
Likelihood Ratio	8.221	3	.042
Linear-by-Linear Association	3.976	1	.046
N of Valid Cases	200		

To find out the association between the gender and appraisal system on HR Audit with reference to State Bank of India and Bank of Baroda.

Calculated value of Chi-square = 8.003

Degree of Freedom = row-column

=(4-1)(2-1)=3*1

=3

Table Value = 7.815

INFERENCE

From the above table a chi square test of independence was performed to examine the relationship between gender and appraisal system on HR Audit with reference to State Bank of India and Bank of Baroda. The results shows that the chi square is 8.003 with 3 degree of freedom which is less than the significance level of 0.05. Therefore, we reject the null hypothesis, which suggests that there is significant relationship between the gender and appraisal system on HR Audit with reference to State Bank of India and Bank of Baroda.

2.SALARY AND APPRAISAL SYSTEM

Null Hypothesis(H_0): There is a significant relationship between the Gender and Appraisal System.

Salary * Appraisal System Crosstabulation Count

Appraisal System Total

	Extremely Satisfied	Moderately Satisfied	Neutral	Dissatisfied	
10000-15000	2	4	4	0	10
15000-20000	16	25	10	2	53
20000-25000	40	41	14	3	98
25000-30000	12	23	4	0	39
Total	70	93	32	5	200

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.548[a]	9	.308
Likelihood Ratio	10.772	9	.292
Linear-by-Linear Association	2.909	1	.088
N of Valid Cases	200		

To find out the association between the salary and appraisal system on HR Audit with reference to State Bank of India and Bank of Baroda.

Calculated value of Chi-square = 10.548

Degree of Freedom = row-column

=(4-1)(4-1)=3*3

=9

Table Value = 16.919

INFERENCE

From the above table a chi square test of independence was performed to examine the relationship between salary and appraisal system on HR Audit with reference to State Bank of India and Bank of Baroda. The results shows that the chi square is 8.003 with 3 degree of freedom which is less than the significance level of 0.05. Therefore, we accept the hypothesis, which suggests that there is no significant relationship between the salary and appraisal system on HR Audit with reference to State Bank of India and Bank of Baroda.

FINDINGS AND SUGGESTIONS

FINDINGS

CHI SQUARE ANALYSIS

- There is no relationship between gender and appraisal system on HR Audit with reference to State Bank of India and Bank of Baroda.
- There is no relationship between age and interest rates & fees on HR Audit with reference to State Bank of India and Bank of Baroda.
- There is relationship between salary and appraisal system on HR Audit with reference to State Bank of India and Bank of Baroda.

SUGGESTIONS

Review the recruitment policies, procedures, and practices to ensure that they align with the banks' long-term strategic goals. Ensure that the recruitment process is efficient, transparent, and attracts diverse talent. It’s essential to assess whether the banks are effectively leveraging technology and social media platforms to source candidates, in line with modern HR trends. Ensure that both SBI and BoB have structured training and development programs that are in line with industry requirements.

CONCLUSION

In this comprehensive study of HR audit practices within State Bank of India (SBI) and Bank of Baroda, it is evident that both institutions prioritize certain aspects of human resource management, such as employee training and performance appraisal systems, to maintain competitiveness and efficiency in the dynamic banking sector. The examination of various HR dimensions including recruitment, training, performance management, employee engagement, succession planning, and diversity and inclusion initiatives provided valuable insights into the strengths and areas for improvement within each bank's HR framework.