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Human Resource Practices in Private Banking through the Spectrum of Technology

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Abstract: *The banking industry in India makes a substantial contribution to the country's economic growth. The performance of banks has a substantial influence on the pace at which the nation's economy develops. The performance of banks is contingent upon the performance of their human resources (HR), which are the most delicate and important assets of a business. Efficient management of human resources, combined with the effective adoption and utilization of technological advancements, particularly in the area of Information and Communication Technology, has become essential for banks to ensure their survival and progress. Equally important is the provision of top-notch customer service while simultaneously promoting bank goods, especially through innovative strategies like e-CRM. Human Resources (HR) play a significant role in all aspects of an organization. Only a workforce that is proficient and well-informed in technology can deliver customer service that satisfies the demands of modern discriminating clients. This study seeks to examine the comparative performance of Old Generation Private Sector Banks (OPBs) located in Kerala, specifically in terms of their HR productivity and other HR-related performance indicators, taking into account the current state of VUCA (Volatility, Uncertainty, Complexity, Ambiguity) in India's banking sector.*

Keywords: ICT, CRM, HRM, Old Private Sector Banks (OPBs), and Employee Productivity

I. INTRODUCTION

Every nation's banking sector contributes significantly to its economic development, and India is no exception. As a result, the rate at which the economy of the nation as a whole develops is significantly influenced by the performance of banks. Banks' performance, in turn, is dependent on the performance of their human resources (HR), which are the most dynamic and sensitive of an organization's resources. For banks' survival and growth, HR management as well as the appropriate adoption and utilization of technological advancements, particularly those in the field of information and communication technology (ICT), have become essential. Traditional models like Customer Relationship Management (CRM) have already given way to its ICT variant, viz., because of the rapid proliferation of ICT in all aspects of banking. Electronic Client Relationship The board (e-CRM). Thus, push on the advancement of bank items utilizing present day ways of thinking like e-CRM and it is one more reason to give superb client assistance. In point of fact, HR is the fundamental element that ultimately determines success. In today's banking sector in India, which is characterized by VUCA (Volatility, Uncertainty, Complexity, Ambiguity), well-trained and technologically savvy employees who are able to provide services that meet the needs of today's discerning customers are essential to the success of banks. The growing demand for ICT-based products and services adds another dimension to this complexity.

II. THEORETICAL BACKGROUND

The economy as a whole has benefited from VUCA (volatility, uncertainty, complexity, ambiguity), but it also faces new challenges. The impact of VUCA can be felt in all economic sectors. The Indian economy at present faces what is going on where there is less homegrown interest and low commodity interest. Positively, the country's CAD (Current Account Deficit) levels have significantly improved as a result of the falling crude oil prices. Additionally, the Indian economy is being affected in a way that has never been seen before by global events, as the stock market's recent performance demonstrates. The impacts of VUCA on the economy overall and the financial area specifically needs further review, the financial area being a fundamental development driver for an economy like India. The scene of the

Indian financial area has gone through an extreme change with the execution of banking area changes in 1992. In the continuous 'changes period', however the authority of Public Area Banks (PSBs) actually proceeds, the PSBs are quickly losing their piece of the pie to the new players in the field viz. Private banks of the new generation, or NPBs, were established during the reform era. In addition to PSBs, another category of "traditional" banks, namely The issues that plague PSBs also affect old private sector banks (OPBs). OPBs are also experiencing either stagnation in growth or a share loss to NPBs.

In addition, the plight of PSBs and OPBs has been harmed by the expansion of information and communications technology (ICT) into all facets of banking and the intense competition from non-banking organizations (NPBs), which capitalize on the immense potential of ICT to improve operational efficiency and customer service. In this ICT time, the eventual fate of banks relies upon their HR (HR), especially their techno-keen nature and delicate abilities, on the grounds that their efficiency and effectiveness choose the functional productivity and seriousness of banks. In point of fact, a lot of OPBs have already given in to the pressures of competition and vanished as a result of mergers and acquisitions. Only four Kerala-based OPBs (or KOPBs) remain today, as two KOPBs were unable to withstand competitive pressures during the reforms era: 1) Nedungadi Bank, which Punjab National Bank acquired in 2003; 2) Lord Krishna Bank, which Centurion Bank of Punjab purchased in 2007. Federal Bank, South Indian Bank, Catholic Syrian Bank, and Dhanalakshmi Bank are the remaining four KOPBs.

After a preliminary discussion of the dynamics of HRM in Indian banks during the current era of financial sector reforms, the purpose of this paper is to investigate the performance of these four KOPBs from an HRM perspective. It is hoped that the HR productivity of the KOPBs can be compared.

In the continuous changing period in Indian banking, there is extreme rivalry among the banks, including the PSBs, and the overall presentation of individual banks and their seriousness in the market choose their endurance and development. Any bank's efficiency and competitiveness can certainly be improved by embracing modern technology, particularly the rapid advancements in information and communication technology (ICT). Modern marketing strategies, such as electronic customer relationship management (E-CRM) and customer relationship management (CRM), must be implemented because they will improve customer service and loyalty. However, among all organizational resources, a bank's human resources (HR) are the most sensitive, valuable, and uncertain asset, making them the foundation of success. Taking into account the wild contest in the financial business in the changes system, especially in this VUCA time of the 2010s, and furthermore the 'conventional' tradition of OPBs very much like PSBs, including the related weights (eg. norms for lending to the priority sector, reservation requirements for employment, etc.), The study of OPB performance with an emphasis on HR productivity and related factors is important. HRM is the primary focus of this study, which focuses on OPBs (or KOPBs) based in Kerala.

The study's objective is

to provide a comprehensive analysis of the Indian banking sector during the reforms, with a particular focus on the impact of ICT on the HRM function;

to conduct a HRM-focused SWOT analysis of Indian banks and investigate in depth the HRM-related obstacles facing these institutions

Banking in India during the Reforms Era:

An HRM Viewpoint: The Indian banking system was established in the nineteenth century. Since the major banks were nationalized in 1969, the system's character has changed significantly. Prior to nationalization, urban areas were the primary banking hub. Through the rural credit system, banking in the early days of nationalization protected farmers from the exploitation of money lenders and fueled the green revolution by providing credit for fertilizers and hybrid seeds. In 1980, India's second round of bank nationalization increased social control over the financial institutions. As the size of the financial area expanded, the business became hard to deal with manually.

India, a small number of manufacturing facilities, and a few educational, research, and development institutions began using computers in the early 1960s as a potential solution. In fact, in the late 1960s and early 1970s, a number of service-oriented industries, such as airlines, railways, and insurance companies, began implementing large-scale computerization in an effort to enhance their operations and provide superior customer service (AnantharamaIyer, 1991). However, banks in India initially resisted computerization on a large scale out of fear of layoffs and unemployment (Goodman, 1991). Banks in India operated in a protected economy for a long time and faced virtually no competition. In this way, no drawn out arrangement or point of view was outlined for the banks in India: banks are being treated as if they were a part of the public sector by default. This situation has changed as a result of reforms to the banking sector and economic deregulation since 1992. All around mechanized unfamiliar banks are starting to contend earnestly with the nationalized and private area banks in India. The Unfamiliar banks (FBs) working in India and the NPBs, basically focus on the beneficial aNDwell off market sections alone, as opposed to the 'conventional' banks viz. OPBs and PSBs Small account holders, customers from rural and semi-urban areas, the marginalized, and so on are neglected by FBs and NPBs, which do not understand the social banking rationale. Strengths: Highly skilled and talented staff at all levels, particularly in the middle and lower levels: The representatives of banks in India are somewhat more capable and are of higher ability levels. Banks must properly capitalize on this strength in order to increase their competitiveness. The banks are willing to make changes because of the HR staff's higher potential and quality.

Scholarly capital that is prepared to subjectively carry out the fast-approaching changes: As previously stated, Indian banks generally have talented and skilled employees, or human capital; as is the situation of scholarly capital of the banks in India. They are able to quickly and qualitatively implement the upcoming changes thanks to their higher intellectual capital. Criticism of the current standards with the intention of developing new ones: Banks can definitely benefit from this strategy because it makes it easier to constantly improve by critically analyzing the methods and systems that are already in place and working to create new ones.

All banks are enacting more stringent regulatory policies from the central bank: The regulatory guidelines that the nation's central banks are enacting, namely One of the world's strongest is the Reserve Bank of India (RBI). Because of this, India's banking regulatory system is one of the strongest in the world.

Negative aspects

Poor technology infrastructure: Disregarding the enormous size, immense geological inclusion and furthermore great worldwide presence of the banks in India, the innovation foundation, particularly the degree of reception of the advances in the field of ICT, is somewhat poor. The ICT infrastructure of Indian banks is significantly below international standards, with the exception of a few New Generation Private Sector Banks (NPBs) and Foreign Banks (FBs) operating in India. This is especially true for PSBs and OPBs, which are still considered "traditional banks" and oversee over 70% of the banking industry.

The changes in the industry are likely to have a negative impact on many small banks: The prospects of small banks are likely to be negatively impacted by the constant changes in the banking industry. Due to their relatively small size, Old Private Banks (OPBs) are susceptible to being acquired by larger players. Comparable is the situation with numerous more modest PSBs, as they have turned into the takeover focuses of the bigger PSBs in light of the fact that the Public authority - their controlling partner (proprietor) - may lean toward a lesser number of more grounded and bigger PSBs which are worldwide dynamic. The process of reorganizing the PSBs has already been started by the Indian government. Just solid banks would stay from here on out and thus the more modest banks need to turn out to be side by side of the progressions and furthermore serious.

Inadequate compensation system: When compared to other sectors like school and college teachers, government employees, and so on, the compensation or pay package of bank employees is less appealing. unlike in the past, when bank employees were compensated higher than those in most other industries. As a result, fewer talented individuals are joining banks today than in the past. Their responsibility is on the ascent in light of the arrangement of scaling back, due to the way that scaling back is fundamental for better functional proficiency and benefit of banks in the present cutthroat financial industry.

Poor talent administration: It is difficult to recruit talented employees for the banking industry due to the disproportionately high workload and less appealing pay package previously mentioned. In addition, private banks and foreign banks offer better pay packages than "traditional banks" like PSBs and OPBs, making it difficult to retain talented employees. A continuous process of "brain drain" occurs when experienced and skilled employees, particularly those from PSBs and OPBs, receive more appealing offers from NPBs and FBs.

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Opportunities
The banking industry's future operations would be strengthened by the availability of new talent: Most of the newly hired employees have higher technical skills (such as ICT skills), and if these more talented individuals could be kept, they might become valuable assets. The gifted and techno-keen representatives have better functional proficiency and can give preferred client assistance over the workers of the more seasoned age.

High levels of expertise in risk management: Better systems for managing various banking risks like credit risk, market risk, and operational risk, among others are being executed by the banks in India, according to the orders of the controller, viz. the RRB An illustration is the application of Basel I norms, followed by Basel II norms, and so on. Banks will be able to maintain their global strength and competitiveness with the help of robust risk management architecture.

Need a significant connection between ICT and business credit, risk management, and all associated risks, particularly credit risk and market risk, require closer and more efficient management as bank business expands. The requirement to continually embrace the quick advances in the field of ICT, brings more noteworthy difficulties in functional gambling, especially as innovation risks. However, an integrated approach to business, risk management, and ICT offers excellent prospects in light of the robust risk management systems being implemented by Indian banks and the immense potential of ICT.

Limitations
Failure to meet extra capital prerequisites: Increased capital requirements would be necessary to guarantee the minimum Capital Adequacy Ratio (CAR) in order to implement the extensive changes required as part of the implementation of international banking norms like Basel – II (which is currently being migrated into Basel . In turn, this would necessitate significant capital investments. The situation of capital-starved PSBs in India is a classic illustration, and the Indian government must invest a significant amount to guarantee the PSBs' minimum CAR.
In terms of OPBs, unless they raise capital to meet CAR standards, they run the risk of being taken over by larger players and eventually vanish from the market a lot of money spent on technologies: Customers of today have high standards and expect banks to offer high-tech products and services. Banks have made significant investments in technology in order to improve their operational efficiency, competitiveness, and customer service, as well as to attract and keep these kinds of customers (e.g. providing e-CRM and other ICT-based services like internet banking, installing ATMs, etc.). Many banks, particularly OPBs and PSBs of a smaller size, are unable to make such sizable investments.

III. CONCLUSION

In spite of the problems with profitability and productivity that banks in India, and KOPBs in particular, are having, all of these banks can effectively overcome the problem by properly adopting ICT and focusing on teaching their employees soft skills. It is just as important to make sure that all of these services have a "human factor" as it is to improve the ICT infrastructure in order to increase productivity and profitability.

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