

THE CIRCUMSTANCES OF HUMAN RESOURCES IN PUBLIC SECTOR BANKS AFTER MERGING IN INDIA

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Abstract

There is heated debate over the need for a merger of banks and the consequences. Indeed the appearance of the banking sector has changed significantly since the financial reforms. During this period, the country's banking sector was undergoing new challenges. It has reached international standards beyond many milestones. Simultaneously there were many crises. To overcome situations, the government has opened the door for the entry of new private banks. When private banks have established, banking quality is likely to be enhanced by competition among banks. Due to its competitiveness, banks in a government sector dire prerequisite to give an equal game to private banks and require banking reforms. As part of the banking reforms, the public sector bank has merged. However, in doing so, the management would consider the circumstance of human resources and other issues because its effect on human resources is enormous. This research paper will discuss what impact on human resources and other issues when it comes to merged banks.

Keywords: *merge-public sector banks-human resources-issues- competitiveness.*

I. Introduction

In the olden days, the kings collected money from the people in the form of taxes, and the frog made by the princes. However, once the modern banking system is in place, money management has hit the banks from home. In addition to the extra income in the form of interest, the banks and the people themselves have invested the money and made extra income. The government funds have gradually moved to the central bank. Whatever economy the name is, it cannot imagine without a centralized regulatory system. In our country, the central bank, the Reserve Bank of India, has become not just a guardian of public funds but also a bank with its monetary policy and regulatory control. Banking growth in our country started in small commercial banks. The government has dreamed and nationalized it.

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Nationalized on the premise that there should be no loss to the trustees and that banks should not misuse public money. At one point, the government plans to privatize the banking sector, just like in other sectors. The main impediment to the profitability of banks is useless assets! Almost all banks in the country have this problem. The government's goal is to promote integrated growth through banks with public utility and direct benefit transfer programs.

A particular system emerges in any sector, such as banking correspondents that are needed to consider the human resources and their services, including additional issues. I have included in this Research Paper the problems of merging Public Sector Banks besides human resources.

II. Research Methodology

This paper is descriptive. Information is gathered from Secondary sources for this paper. Secondary sources turned into compiled from national and international magazines, newspapers, and numerous websites.

III. Literature Review

According to ShaliniSukla, "HR poses the largest assignment to the general public zone banks in the United States India. This study is centered on the difficulty of important challenges the HR supervisor faced in Public Sector Banks in India to address the environmental changes for competitiveness. Primarily based on the qualitative look at numerous practical managers and secondary statistics, this has a look at highlights the numerous HRM problems encountered through public area banks of India".

According to KartiRojaria, "Debate round merger of PSBs to consolidate them into six mega-banks has geared-up, with the latest Merger of SBI with five different partner banks, The paper makes a case for consolidation of PSBs so that you can lessen NPAs, increase performance and enhance risk diversification. The paper is split into five parts. The paper concludes with the creator making a persuasive case for consolidation".

According to Dr. ArjeetKour, "A merger happens while two or more corporations combine their enterprise and assets to convert them into a brand new business enterprise. It took almost 1/2 a year to make this Merger show up as in other mergers in the records. The existing study goals at finding the HR problems faced through all of the personnel of SBI in addition to its pals' post-merger. For this reason, formal and informal interviews were performed with the employees of SBI and kingdom financial institution of Patiala in one of a kind towns of Punjab kingdom".

According to Dr. Monika Malviya, "Human resource management is one of the maximum critical requirements for survival in this competitive international. The aggressive & deregulatory pressure has added a perceptible shift in the customer's expectancies. HR poses the most important task in the public sector banks in India. The examination covers all the important areas of Human aid management in the bank. The reason for this study is to find out the foremost troubles & demanding situations confronted through the public quarter banks in India".

IV. Merging of Public Sector Banks

In the wake of the country's current social and economic situation, there is debate over the need for a merger of banks and the consequences. The government has already taken several steps to recover from the economy's slowdown—attempts to increase economic growth from a six-year high. As part of this, the government recently announced bank mergers. It hopes to strengthen the banking system. It has also told the Merger of 10 central banks and four iconic banks to have extensive international banks.

The Merger of Punjab National Bank, Oriental Bank of Commerce, and the United Bank of India will make it the second-largest bank in the country. Canara Bank and Syndicate Bank to be merged. Union Bank of India has partnerships with Andhra Bank and Corporation Banks. Indian Bank merges with Allahabad Bank.

The six public sector banks are independent, with Indian Overseas Bank, UCO Bank, Bank of Maharashtra, Punjab, and Sindh being the dominant regional banks and the Bank of India and Central Bank of India. Oriental Bank of Commerce and United Bank merged with Punjab National Bank to form a bank with a business of Rs.17.95 lakh core and 11,437 branches.

The Merger of Syndicate Bank with Canara Bank will create the fourth-largest public sector bank with a business of Rs 15.20 lakh cores and a network of 10,324 branches. The Merger of Andhra Bank and Corporation Bank with Union Bank of India will create the fifth-largest public sector bank in India with a total business of Rs 14.59 lakh cores and 9,609 branches.

The Merger of the Allahabad Bank with the Indian Bank, with strong branch networks in the southern, northern, and eastern parts of the country. it would form the seventh-largest public sector bank with a business of Rs 8.08 lakh crore. Last year, the government merged with Dena Bank, Vijaya Bank, and Bank of Baroda to create its third-largest bank in the credit sector. With the Merger, State Bank of India and Bank of Baroda combined, there will be only 12 central banks in the country.

V. Consequences after merging public banks

The Merger of banks in India is no stranger to this. However, never before has the merger process been limited to such a large scale, only public sector banks (PSBs). On July 20, 1969, the Government of India nationalized the 14 largest commercial banks. It has taken steps to boost agriculture, small industries, exports, industrialization, and strengthen the weaker sections. In 1980, 13 other banks, including Andhra Bank, were nationalized. Analysts often say that this is the most crucial policy decision in Indian economic history. Before the nationalization of the banks, the corporate economy was controlled by big corporate houses. There was no protection for the depositors.

After the banks' nationalization in 1991, the banking system became the country's economy's backbone. She was gaining great credibility among consumers and investors. Bank Punjab National Bank, Oriental Bank of

Commerce, United Bank of India 17.94 2 (becoming the second-largest bank) Canarabank Syndicate Bank 15.2 4
Union Bank of India Andhra Bank, Corporation Bank 14.59 5 Indian Bank, Allahabad Bank 8.08 7.

Decreasing the number of PSBs may have some short-term and some long-term disadvantages to human resources, employment, and economic development. It is not clear what the purpose of the Merger of PSBs is. The decision was not made to make banks profitable or to meet the requirements of deposits. One of the short-term disadvantages is the impact on the human population. The merger decision was made without considering the employees' culture and the employees' attitude in adjusting the banks' operational differences.

The Merger now takes place in stark contrast to the Merger of SBI and its subsidiary regional banks. The affairs and institutional structure of SBI and its subsidiaries were identical. But now it is not so in the case of PSBs. There may also be some challenges in leadership development. Will the Merger serve to control the problems of intangible assets and dilution and increase banks' efficiency? Is another big question. Three significant issues need to be addressed in the Indian economy.

With a GDP growth rate of 5 or less, the country is heading for a recession with no demand. Banks are having trouble with the recovery rate of intangible assets and debt. It is politically touted that a large proportion of the population is young and very beneficial to its economic development. Increasing unemployment, however, indicates that the government is unable to meet this advantage.

VI. It is unclear whether the Merger of the PSBs will effectively address this.

Over time, intangible assets for public and private sector banks have increased. The recovery rate of private sector banks is much better compared to PSBs. This is because private sector banks are stringent in their debt recovery processes. PSBs do not follow such procedures. This issue highlights the inefficiency of management. This needs to be corrected. It remains to be seen whether the Merger of these large banks will improve operational performance. Diversification in banks' portfolios of investments and lending increases the level of operations. This is the first benefit of the Merger. However, these activities' effectiveness cannot come from focusing on the development of new skills needed.

VII. The current crisis in the banking sector.

Debtors should be able to convert assets that are underwritten in case of defaulters quickly. Vijay Mallya and NeeravModi have similar problems. Banks have to follow stringent procedures, especially for those who have large amounts of debt. If such borrowers default, the whole bank could be in danger. The result will be the economy. Banks need to raise awareness about consumers. We need to build good relationships with them. More skills and capabilities need to be developed to maximize profits and reduce risk. We need to embrace the rapidly changing technology and the trends of the international banking sector. The merger process may contribute to changing banking trends as a whole. But, banks need to work on improving the organizational structure. The

short-term need for new jobs and the consolidation of existing resources can increase unemployment. However, the government has ensured that there will be no quota for jobs. After some time, the concept of staffing in all departments is exceeded. A decrease in the number of branches and transactions can reduce operating costs and provide financial benefits to banks.

Declining job opportunities could have an impact on economic growth in the long run. That is why we need to look for alternative ways to create abundant job opportunities. The country will be able to reap the rewards of having a large percentage of the population. Otherwise, crossing the GDP growth rate of eight percent would be a significant challenge for the Indian economy. The Merger of PSBs may not be enough to address the banking sector's current financial problems and crisis.

Sushma Ramachandran said there were concerns that jobs would be created after the Merger, but the government has not announced yet. "After the Merger, bank employees may move from their respective departments to other departments. As digital banking grows, so do their skills," he said.

Responding to the impact on NPAs, he said, "Some NPAs are natural. Market conditions, for other reasons, may not be able to pay off loans. However, the percentage of such loans is deficient. Problems arise due to political pressure, the inability of officials, and corruption. Misrepresentations can be turned into NPAs. It is natural for NPAs to rise when growth rates slow. 8. The circumstances of Human resources in the bank

If all the banks are merged, then what approximately the people in the bank? Did they also lose their jobs? This is the colossal dilemma going through the banking enterprise; whether or not the existing staff will be retained or attrition?

From the bank mergers that have been accomplished so far, the schemes always wanted to shed more fabulous flab so one can reduce stress on their earnings; besides many, there are two significant problems relating to this situation matter:

First of all, the repute of the body of workers of the merging banks vis-a-vis the anchor bank personnel (the bank into which the opposite banks had merged with);

Secondly, the employees who're eliminated from the rolls due to extra baggage beneath some pretext or the alternative, State bank of India's mega-merger with its accomplice banks, announced on April 1 this year and has been something however easy for a number of the latter's personnel.

"We're being treated as second-magnificence people at SBI. The management has no longer been listening to the problems being raised with the aid of us. We're hopeful of an answer with the management while not having to go to the courts," stated KS Krishna, former popular Secretary, state bank of Travancore personnel Union.

Relocations

Any Merger always brings the danger of transfers. PSU bank personnel like staying in their home cities or domestic states a lot except some of them. In regular instances- the observed order in most PSU Banks (except

maybe SBI and the bigwigs like PNB) is possible at the least until AGM Scale - South Indians are published South in the circular laws, and North Indians are published North inside the circular - regulation. For example, a Madras Born Banker is likely to get posted to AP or Kerala or Karnataka than Maharashtra or Orissa most of the time and vice versa. But, while any merger takes area - the merged entity decides on a massive transfer to fill vacuums and voids. Abruptly you may locate yourself posted to Guwahati or Dispur or Shillong, or likewise, a Northerner who has worked all his life in Delhi can be assigned to Neyveli or Erode or Kottayam.

Forfeiture of Union strength

Unions love power. Union employees love doing no paintings and sitting in offices and dominating. They love getting their salaries plus union perks. They love negotiations for transfers, postings, and many others—the Unions of the entities which might be merged turn into weaker and weaker and non-existent. For instance, SBT, SBM Unions, once dominating, are today non-existent and toothless as the SBI Union reigns preferred. Any merger will mean a whole lot of unions will lose quite a few power.

Step Motherly behavior

Maybe after 15 years - all personnel can appear as one; however, right now, after the Merger, there may be a step-motherly remedy in Promotions, Assignments, and Transfers perceived by using the Merged and Amalgamate bank personnel. SBI went out of the way to keep away from this and presented first-rate postings and great VRS programs; however, the Baroda, Vijaya Bank, and Dena Bank merger is the other. No VRS; instead, you go away as you do in a non-public corporation if you want to depart. Most people who are caused to leave are Vijaya and Dena bank employees, no more extended bank of Baroda employees who still manage and dominate.

No Collective purpose

Bank Unions rightly say that 80% of those horrific loans that prompted the NPA crisis have been made by way of the top three% of the PSU Banks comprising Chairman, Managing Director/ED, and a few pick widespread Managers. Lower-degree employees had no position in deciding any of those loans, so why need to they pay the fee? This is the sector struggle, I argue, where many younger Britishers protested that they couldn't vote for conflict - why should they be made to fight the battle? Unions have been preventing each mortgage from being decided with the aid of the Asset Committees in place by using a gaggle of excessive executives.

Incompetence a hundred and one

It is 101 that any merger leads to the trimming of the personnel. It is the reason for any coalition. Specific the GOI spouts this nonsense merger where all of us remain; however, subsequently, the GOI will realize that the Merger could be ten times worse unless staff is trimmed and they will begin making such challenging situations that body of workers ought to go away on "Dissociation." In SBI - it turned into now not very tough because SBI owned the accomplice Banks even earlier than the mergers and considered the employees part of the overall country bank organization; however, in these trendy moron mergers - that is going to show up pretty quickly.

Zero rewards

Despite talks of Synergy - all of it is IIM bullshit. In reality, those mergers have zero advantages. India's government desires to lessen the PSU bank body of workers and have determined to take ten years to do it thru these faux mergers rather than outright slimming.

Unquestionably, inside the practice

The PSU Banks are making our lives miserable with the aid of preserving 1 - to 2-day strikes. The strikes might not help even 1%, but they're doing this. Instead, if PSU banks start an initiative to get lower back 10% of all NPAs in a month to give short OTS programs and faster by way of attain - perhaps they could convince a significant phase of the general public that mergers are not substantial.

VIII. Conclusion

In human resource control, we should deal with our employees with admiring and dignity because in the most computerized manufacturing unit within the globe, we want the power of the human mind, and for the high satisfaction of reasons to work for us, we need to protect the honor and dignity. In public sector banks, socially useful resource control is treated as a supportive element now not in the predominant stream. But this psychology needs to be considered once more if public zone banks want to compete with the private player. In this cut-throat competition, HR is the most direct sustainable aggressive benefit. So, first-rate utilization, development, and retention of the proficient team of workers end up mandatory for public sector banks. Therefore, HR reform is the want of the day for the Indian banking sector.

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