



A COMPARATIVE STUDY ON HRM POLICIES AND PRACTICES IN NATIONALIZED AND PRIVATE SECTOR BANKS

Muralidhara S V

*Assistant Professor, Department of Commerce, Government First Grade College,
Talakadu, Mysore Dist*

ABSTRACT

DOI No: 10.36713/epra9417

Article DOI: <https://doi.org/10.36713/epra9417>

A study of understanding the aspects which drive Information Technology services start-ups to effectively manage to start up, sustain and grow the business in India is explored in this study. After the initial 2 years of the venture formation, start-up saga continues to the growth stages and understanding the challenges of sustaining and growing the Information Technology Services start-up organizations in India, which has been a major contributor to Indian Exports and GDP growth has been the core research area of this study. The business challenges faced during initial set up years (0-2 years) may vary from business challenges faced during growth years (2-10 years). Research Objectives focus on studying initial years as well as growth years of the Information Technology Services start-ups to understand the similarities, differences in the attributes needed during various lifecycle stages of the organization. The qualitative study addresses understanding the characteristics of success factors in Information technology services start-up and the specific problem in the lack of understanding the various business challenges and reasons behind various aspects that leads to the success or failure of technology start-ups. Key words: Job satisfaction, achievement, training development, HRM an improved success rate for start-ups may help to attract investors, might retain existing jobs. Success Rate may attract many new entrepreneurs to come forward to build on their dream ideas into businesses and contribute more to economic growth through creation of jobs, sustenance of jobs with successful business growth and innovative solutions to the society at large domestically as well as globally.

KEYWORDS: *Management Challenges, IT Services Startups, Information Technology Services Startups, Start-up Initial Years, Start-up Growth Years, Success Factors*

INTRODUCTION

With the advancement of Information Technology and computerization, IT industry became one of the emerging industries in 1990s and India became an important Information Technology service provider hub to the global community, which was supported by encouraging parameters like knowledge know-how, fresh talent availability due to the increased number of engineering graduates in India and the emergence of knowledge workers which was

lacking in the western world. After the Year 2000, these Technology Service providers extended their services to various industries and domains with the ever-changing and emerging technologies. In the early 2000s, IT industry witnessed dotcom boom and while IT as an industry by then had become a critical backbone of many businesses, it became de-facto goal of organizations to keep up with technology to survive and grow in economy with other competitors in the global world.

Even though, there has always been a continuous buzz in the Information Technology (IT) Industry and IT industry has been an attraction to entrepreneurs and investors in the millennium, there are a very few success stories which are beyond anyone's expectations. Top 5 Indian Information Technology Services providers are Tata Consultancy Services, Infosys, Cognizant, Wipro, and HCL Technologies (Gartner, 2012). There are many Information Technology services companies which are started in India, supporting global businesses. IT industry has witnessed many start-up venture failures as well during dotcom burst in the year 2000 and economic slowdown during 2007-2008 which affected India as well as western economies.

Failure of start-up companies creates serious problems to stakeholders – employees, customers, suppliers, venture capitalists (VCs) and society at large. There is a lack of understanding of reasons for high rate of failure in IT Services sector. The high failure rate of start-ups drives Venture Capitalists away from investing in technology start-ups which results in reduced contribution to national economic growth. There is a need to find solutions to this serious concern.

As per NASSCOM, Information Technology services sector is the fastest growing sector in the Indian domestic market, growing at 14.5 percent to reach 674 billion, driven by IT outsourcing, platform services on cloud and increasing IT adoption from all customer sectors – enterprise, consumers, government and SMEs. Researchers haven't specifically concentrated on the Information Technology services start-up phenomena in India which created IT boom in India, contributes significantly to Indian export economy as well as being service providers to Indian domestic sector. Understanding the IT Services companies in India is necessary to encourage venturing out in the Information Technology services arena to continue to tap the global market share and expand the technology service portfolios relevant and in sync with the technological innovations in IT industry.

PROBLEM STATEMENT

The below figure shows that the success rate of Information Technology ventures is 75% during first year, 64% in the 2nd year, 56% during the 3rd year and 37% during the fourth year. This clearly indicates that success rate of Information Technology start-ups is declining IT Services Start-up Ecosystem - Market, Government regulations, Tax policies, skilled resource availability 4. Enterprise internal strategies and execution – Hiring strategies, solution Strategies, customer acquisition, delivery strategies, and growth strategies adopted As huge amount entrepreneurial effort, technology training efforts, high cost of knowledge based resources are invested in creation of new IT services ventures, the failure of these enterprises creates a lot of socio-economic problems.

Therefore it is necessary to investigate the success factors of technology services startups during first two years of operations and to understand the challenges faced by surviving enterprises during the growth stage in order to reduce the failure rate of Information Technology services startups during growth stage. There is a need to understand factors or characteristics of attributes which differ during initial years vs. growth years.

OBJECTIVE OF THE STUDY

Primary objective of the study is to investigate challenges faced by Information Technology services Startups in India during initial setup and growth period. The specific objectives of the study are:

1. To explore the growth prospects of IT Services start-ups in India
2. To identify the various challenges faced by IT Services start-ups in India
3. To evaluate the support system available for technology services start-ups during creation and growth of new enterprises in India
4. Suggest or recommend a Success factor model for Information Technology Services start-ups in India



Success factor Framework for Information Technology services Startups in India

SCOPE OF THE STUDY

India based IT services start-ups incubated between years 2010 – 2020 which have service portfolio in areas of – Application (Software) Development and Maintenance Services, Infrastructure Management Services, Testing Services, IT Consulting and Training, System Integration Services, Cloud Computing Services, Data Analytics Services and Mobile Computing Services.

The qualitative exploratory (and quantitative analysis for demographic questions) research study included:

- The exploration of the lived experiences entrepreneurs/start-up leaders who have work experiences within successful/failed IT services start-up organizations based out of India;
- Examination of extent where the factors of the start-up phenomenon studied contribute to the success of Information Technology services start-ups and possible answers to the research questions undertaken.
- Explore the supporting ecosystem factors to encourage Information Technology services start-ups during initial set up phase and growth phases of the organization.

Sources of Data: The study is based on both primary and secondary data.

Primary & Secondary Data: The primary data were collected through structured questionnaire. The required secondary data were collected from various sources like books, newspapers, journals, magazines, RBI Reports, Annual reports of banks

Sample Size of the Study: 160

Sampling Techniques: The methodology followed for collecting data, selection of sample and analysis of data is as follows

Data Collection Techniques: The questionnaire has been designed and supplied to the respondents (employees) of selected banks like SBI, Vijaya Bank, Axis Bank and HDFC Bank for collecting primary data.

Tools for Analysis: Simple random sampling technique has been used for collecting primary data and percentage analysis technique has been used for comparison. Percentage analysis refers to a special kind of ratio, used to compare two or more series of data and also to describe the relations. Since the percentage reduces everything to a common base and thereby allow meaningful comparison to be made. The information, data collected on various traits of Human Resource have been presented in percentage of selected Nationalized and Private Banks in Karnataka for making policy assessment.

Table 1 Employment Details

Name of the Banks	No. of Branches	No. of employees	Percentage
SBI	15	30	18.75%
Vijaya Bank	15	30	18.75%
Axis Bank	20	50	31.25%
HDFC Bank	20	50	31.25%
Total	70	160	100%

Source: Primary Data

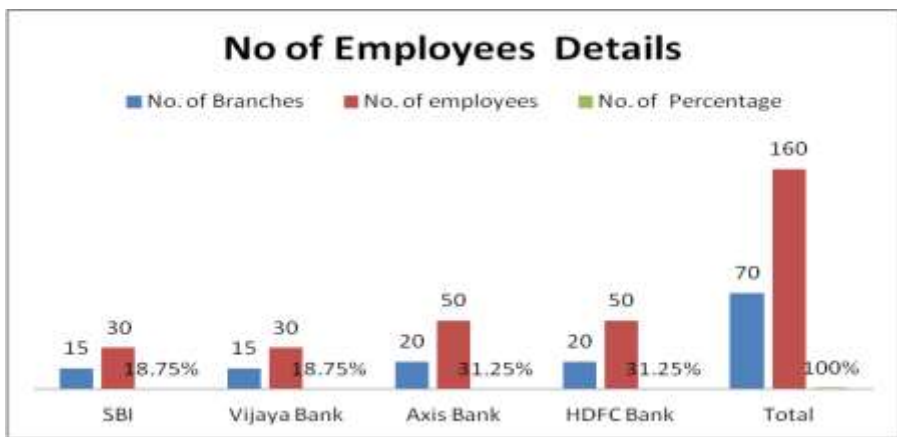


Figure 1

It is inferred from the table that among Private Sectors banks like Axis Bank and HDFC Bank employees, a majority of 62.50% admitted that their first job was bank job. Public Sectors Bank like SBI

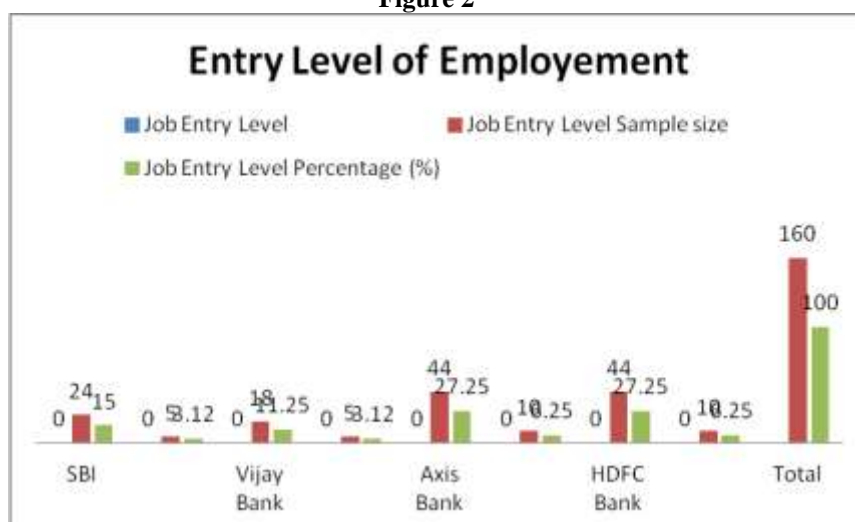
and Vijaya bank whereas 37.5% of the employees said that they started career with other fields and opted for bank job as their second job.

Table 2

Name of Banks	Job Entry Level	Sample size	Percentage (%)
SBI	Fresher's	24	15
	Experience	05	3.12
Vijay Bank	Fresher's	18	11.25
	Experience	05	3.12
Axis Bank	Fresher's	44	27.25
	Experience	10	6.25
HDFC Bank	Fresher's	44	27.25
	Experience	10	6.25
Total		160	100

Source: Primary Data

Figure 2



It is inferred from the table that among compare to Public sectors and Private Sector bank so many Young employees and fresher's selected only Private sector banks 54.25 % and Public Sectors Banks 26.25% total 80.75% of young people selected Banking Industry And Experience employees 18.74% working in Banking Sector.

LIMITATIONS OF THE STUDY

1. The participants are limited to one country, India. The study is limited to focus solely on Indian Information Technology services Startups might help to identify the possible factors of success related only to the Indian based IT Services organizations.
2. The study might end up with different results if conducted in other countries.

3. This study is based on technological/economic environment encouraging Information Technology services entrepreneurship as prevailing in India in twenty first century. A radical change in these two factors, at a later point of time, may throw up different results.
4. Study concentrated on management challenges in Information Technology services start-ups in India, extending the data analysis into success factors contributing to the growth of technology start-ups in India. However, specific failure factors detrimental to the growth and hence leading to the technology service start-up failure were are not studied in the current research work.

CONCLUSIONS

From the above data and findings, following conclusions are drawn:

1. Compare Private Banks is having young and dynamic staff in comparison to Nationalized Banks staff members
2. Besides merit, there are other methods for getting selected in both public and private sector banks but percentage is greater in nationalized banks.
3. Attitude of private sector employees towards the nature of work is more positive than that of nationalized bank employees.
4. Employees of private sector bank are more comfortable with their work conditions than the employees of nationalized bank.
5. There are more chances for private sector bank's employees for promotions in work as compare to the employees of nationalized banks.
6. Private sector bank's authorities are much more concerned for motivation of the employees than that of nationalized banks.

REFERENCES

1. Abbas Tashakkori & Charles Teddlie. 1998. *Mixed Methodology Combining qualitative and quantitative approaches*, Sage Publications.
2. Amit R, Schoemaker PJ.1993. *Strategic Assets and Organizational rent*, *Strategic Management Journal*, 14(1):33-46.
3. Backes-Gellner, U., & Werner. A.2007. *Entrepreneurial signaling via education: A success factor in innovative startups*, *Small Business Economics*, 29, 173-190.
4. Barney JB. 1986. *Strategic Factor Markets: Expectations*. *Luck and Business Strategy. Manage Sci*;32(10):1231-41.
5. Bass, B. M. & Riggio, R. E. 2006. *Transformational leadership*. 2nd ed. Mahwa, New Jersey: Lawrence Erlbaum Associates.
6. Blank, Steve Gary, and Bob Dorf. 2012. *The Startup Owner's Manual: The Step-by-Step guide for Building a Great Company*, K&S Ranch, Incorporated.
7. Carter, R., & Van Auken, H. 2006. *Small firm bankruptcy*. *Journal of Small Business Management*, 44(4), 493-512.
8. Casson, M., Yeung, B., Basu, A., and Wadson, N. 2008. *The Oxford handbook of entrepreneurship*, Oxford, Oxford University Press.
9. Chorev, Schaul, and Alistair R. Anderson. 2006. *Success in Israeli High-Tech Start-Ups; Critical Factors and Process*. *Technovation* 26 (2) (February): 162–174.
10. Christensen, C., J. Bower.1996. *Customer Power, Strategic Investment, and the Failure of Leading Firms*, *Strategic Management Journal*. 17(3) 197-218.
11. Creswell, J. W. 2007. *Qualitative inquiry and research design: Choosing among five traditions*. Thousand Oaks, CA, Sage.
12. David de Vaus. 1993. *Research Design in Social Research*, Sage Publications.
13. Deborah Perry Piscione. 2013. *Secrets of Silicon Valley: What Everyone Else Can Learn from the Innovation Capital of the World*. St. Martin's Press
14. Dierickx I, Cool K. 1989. *Asset Stock Accumulation and Sustainability of Competitive Advantage*, *Manage Sci*, 1989; 35(12): 1504-11.
15. Dun and Bradstreet. 1999. *The challenges of managing a small business: Small business talks to small business*. <http://www.dnb.com/sbs/hsbs.htm>
16. Engwal, I. M. & Sjogren, J. A. 2003. *The resource allocation syndrome: The prime challenge of multi-project management*. *International Journal Project Management*, 21(6), pp. 403-409.
17. Gartner, *Gartner Says Top Five Indian IT Services Providers Grew 23.8 Percent in 2011*. 2-12. [Gartner.com.http://www.gartner.com/newsroom/id/2007116](http://www.gartner.com/newsroom/id/2007116)
18. Gilbert Garza. 2007. *Varieties of Phenomenological Research at the University of Dallas: An Emerging Typology*, *Qualitative Research in Psychology* Vol. 4.
19. Henning Brüggemann. 2014. *Entrepreneurial leadership styles: A comparative study between Startups and mature firms*, 2nd IBA Bachelor Thesis Conference, Enschede, The Netherlands.
20. Hill CWL, Jones GR. 2009. *Strategic Management Theory: An integrated Approach*. 9th Edition, Mason, OH: South-Western.
21. Cooper, D. G., & Schindler, P. S. 2003. *Business research methods (8th ed.)*. Boston, McGraw Hill Irwin.