



International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

A Comparative Study on HRM Practices between Private and Public Banks in North Zone with Reference to Coimbatore City (KVB and SBI)

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DOI : <https://doi.org/10.55248/gengpi.6.0425.1448>

ABSTRACT:

Karur Vysya Bank (KVB) and the State Bank of India (SBI) in Coimbatore City are the main subjects of the study, which contrasts HRM practices in private and public sector banks. The study shows that the two banks' HRM procedures differ significantly. SBI prioritizes large scale personnel management and rigid policies, whereas KVB offers a flexible, performance driven HRM style. According to the findings, state banks place a higher priority on job stability and employee welfare, whereas private banks concentrate on agility and innovation. In order to improve employee engagement, productivity, and overall organizational success, the study provides insightful information that HR practitioners and policymakers may use to improve HRM practices in the banking industry.

Keywords: Human Resource Management, Public and Private Banks, Recruitment, Training, Performance Appraisal, Employee Relations, Banking Sector, India.

INTRODUCTION:

The HRM practices of State Bank of India (SBI), a public sector bank in India, and private bank Karur Vysya Bank (KVB) are compared in this study. The emergence of private banks and heightened competition have brought about a substantial transition in the Indian banking industry. While private banks like KVB prioritize agility, customer-centricity, and performance

based compensation, public sector banks like SBI have a sizable workforce and a bureaucratic structure. Important facets of HRM procedures in both banks will be examined in the study, such as hiring, selection, training, performance management, pay, employee relations, and welfare.

NEED FOR THE STUDY:

Effective HRM procedures are essential to the banking industry's staff management and economic expansion. State Bank of India (SBI) and Karur Vysya Bank (KVB) take different tacks; SBI concentrates on large-scale operations and rigid policies, while KVB emphasizes

flexibility and innovation. Gaining an understanding of these distinctions helps enhance banking industry efficiency and personnel management.

STATEMENT OF THE PROBLEM:

Despite being major participants in the banking industry, KVB and SBI have rather different approaches to human resource management because of variations in ownership, corporate culture, and market focus. Customer happiness, staff morale, and the banks' overall performance are all directly impacted by how well these methods work. However, little research has been done comparing the HRM practices of public and private sector banks, especially when it comes to KVB and SBI.

OBJECTIVES OF THE STUDY:

- To investigate the impact of HRM practices in the banks.
- To analyze the effectiveness of training development in the bank.
- To compare and contrast performance appraisal system in the banks.
- To examine the challenges faced by the banks.

RESEARCH METHODOLOGY:

RESEARCH DESIGN

In order to assess the HRM practices in KVB and SBI, the study used a comparative descriptive design. To obtain a thorough understanding, a mixed-method approach that integrates quantitative and qualitative data is employed.

DATA COLLECTION METHODS

A questionnaire is used in this study to collect comprehensive information on HRM procedures at the State Bank of India and Karur Vysya Bank. The tool, which focuses on HRM elements like hiring, training, performance reviews, employee happiness, and retention, is designed to collect both qualitative and quantitative data.

SAMPLING TECHNIQUE

Karur Vysya Bank (KVB) and State Bank of India (SBI) HRM practices are compared in this study using **stratified random sampling**. Depending on their roles and levels of hierarchy within the banks, the populace is separated into various strata. The survey includes **110 respondents** in total, guaranteeing a fair and trustworthy comparison of HRM methods.

LIMITATIONS OF THE STUDY:

- The study only looks at a few KVB and SBI branches, which might not be representative of all branches' behavior.
- Biases may be introduced when surveys and interviews rely on self-reported data.
- The extent of data collecting may be constrained by time and resource limitations.

TOOLS FOR THE STUDY:

The data collected through this study was analyzed using

- Chi – square
- ANOVA

REVIEW OF LITERATURE

Samal Akhter & Sh. M. Fakhre Alam Siddiqui (2025)¹explored the relationship between HR strategies and employee performance perceptions in Pakistan's banking sector. Data from 119 employees, analyzed using Smart-PLS, revealed that performance evaluation and promotion processes significantly impact employee-perceived performance, while salary policies do not. The findings emphasize the need for fair evaluation and promotion practices to enhance employee perceptions and performance. This research provides valuable insights for refining HR strategies in the banking industry.

Mohammad Salman , Imran Anwar,et al.(2024)³evaluated the impact of HRM practices on the organizational performance of banks in India, based on responses from 325 employees across four banks using a convenience sampling method. Confirmatory factor

analysis and structural equation modeling were employed to validate the constructs and test hypotheses. The findings offer valuable insights for policymakers and HR professionals to improve bank performance by prioritizing effective HRM strategies and fostering employee development.

Imran Saleem , Showkat Ahmad Ganie(2023)⁴examined how HRM practices impact employee competencies in Indian banks, focusing on self-competence, team competence, and social competence. Surveys from 325 employees across four banks revealed mixed results, with some HRM practices, such as training and employee involvement, positively influencing competencies, while others had an insignificant impact. The findings offer guidance for banks to enhance employee competencies through targeted HR strategies, contributing to better organizational performance and enriching HRM literature in the Indian context.

OVERVIEW OF THE STUDY:

The study examines how state bank State Bank of India (SBI) and private bank Karur Vysya Bank (KVB) handle human resource management (HRM) in the banking industry. It highlights how crucial human resource management is to hiring, training, performance reviews, employee welfare, and workforce management. Surveys, interviews, and statistical techniques are all used in the mixed-methods research methodology. Key findings indicate that SBI prioritizes job stability, whereas KVB uses a flexible, performance-driven HRM strategy. Policymakers and HR professionals can benefit from the study's insights.

KARUR VYSYA BANK (KVB)

Founded in 1916, Karur Vysya Bank (KVB) is a prominent private sector bank with its main office located in Karur, Tamil Nadu, India. With more than a century of banking experience, KVB provides a wide range of services, such as loans, digital banking solutions, and corporate and retail banking. By 2024, the bank would have 1,650 ATMs and about 831 branches spread over India.

STATE BANK OF INDIA (SBI)

The largest public sector bank and provider of financial services in India is the State Bank of India (SBI), which was founded on July 1, 1955. SBI is the oldest commercial bank in the Indian subcontinent, having its roots in the Bank of Calcutta, which was established in 1806. Its

headquarters are in Mumbai, Maharashtra. More than 500 million customers are served by SBI's more than 22,000 branches and roughly 63,580 ATMs in India as of 2024. It has 131 offices spread throughout 32 countries worldwide. In India, SBI has a 25% market share in loans and deposits overall and a 23% market share in assets. With around 250,000 workers, it ranks as the tenth-largest employer in the nation.

CHI – SQUARE ANALYSIS:**AGE GROUP AND SATISFACTION WITH OVERALL TRAINING AND DEVELOPMENT PROVIDED BY THE BANK****Hypothesis**

Null Hypothesis (Ho): There is no significant relationship between age and satisfaction of overall training and development opportunities provided by bank

Alternative Hypothesis (Ha): There is a significant relationship between age and satisfaction of overall training and development opportunities provided by bank

1. Age Group and Satisfaction with the Overall training and development opportunities provided by the bank

Age * Satisfaction with the Overall training and development opportunities Provided by the bank Cross tabulation							
Count							
		Satisfaction with the Overall training and development opportunities Provided by the bank					Total
		Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied	
Age	18-24	13	35	28	3	1	80
	25-34	5	6	12	0	0	23
	35-44	0	2	3	1	0	6
	45-54	0	0	1	0	0	1
Total		18	43	44	4	1	110

Chi-square tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.887 ^a	12	.626
Likelihood Ratio	10.988	12	.530
Linear-by-Linear Association	1.777	1	.183
N of Valid Cases	110		

a. 15 cells (75.0%) have expected count less than 5. The minimum expected count is .01.

Source : Computed from primary data

INTERPRETATION:

The above table reveals that the Pearson Chi-Square value is 9.887 with a significance value of 0.626, which is greater than the standard significance level of 0.05. This indicates that there is no statistically significant relationship between age and satisfaction of overall training and development opportunities provided by bank.

GENDER AND SATISFACTION OF CRITERIA USED IN THE PERFORMANCE APPRAISAL OF THE BANK

Hypothesis

Null Hypothesis (Ho): There is no significant relationship between Gender and satisfaction of criteria used in the performance appraisal of the bank.

Alternative Hypothesis (Ha): There is a significant relationship between Gender and satisfaction of criteria used in the performance appraisal of the bank.

2. Gender and satisfaction of criteria used in the performance appraisal of the bank.

Gender * Satisfaction with the Criteria used in the performance Appraisal process to your job Role Cross tabulation							
Count							
		Satisfaction with the Criteria used in the performance Appraisal process to your <u>job Role?</u>					Total
		Highly Satisfied	Satisfied	Neutral	Highly dissatisfied	Dissatisfied	
Gender	Female	15	34	27	3	5	84
	Male	5	7	10	4	0	26
Total		20	41	37	7	5	110

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.136 ^a	4	.129
Likelihood Ratio	7.595	4	.108
Linear-by-Linear Association	.224	1	.636
N of Valid Cases	110		
a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is 1.18.			

Source : Computed from primary data

INTERPRETATION:

The above table reveals that the Pearson Chi-Square value is 7.136 with a significance value of 0.129, which is greater than the standard significance level of 0.05. This indicates that there is no statistically significant relationship between Gender and satisfaction of criteria used in the performance appraisal of the bank.

ONE WAY ANOVA:**AGE GROUP AND BANK FACING SIGNIFICANT CHALLENGES Hypothesis**

Null Hypothesis (Ho): There is no significant association between age group and Opinion on the bank facing significant challenges.

Alternative Hypothesis (Ha): There is a significant association between age group and Opinion on the bank facing significant challenges.

1. Age group and Opinion on the bank facing significant challenges.

ANOVA					
Opinion on the bank facing significant challenges in maintaining profitability					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1.192	3	.397	.412	.745
Within Groups	102.299	106	.965		
Total	103.491	109			

Source: Computed from Primary data

INTERPRETATION:

The above table reveals that the F-value is 0.412, with a significance value of 0.745, which is greater than the standard significance level of 0.05. This indicates there is statistically no significant association between age group and Opinion on the bank facing significant challenges.

GENDER AND SATISFACTION LEVEL OF THE BANKS OVERALL CUSTOMER SERVICE EXPERIENCE**Hypothesis**

Null Hypothesis (Ho): There is no significant association between Gender and Satisfaction level of the bank's overall customer service experience.

Alternative Hypothesis (Ha): There is a significant association between Gender and Satisfaction level of the bank's overall customer service experience.

2. Gender and Satisfaction level of the bank's overall customer service experience.

ANOVA					
How satisfied are you with the banks overall customer service experience?					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.888	1	.888	1.113	.294
Within Groups	86.212	108	.798		
Total	87.100	109			

Source: Computed from Primary data

INTERPRETATION:

The above table reveals that the F-value is 1.113, with a significance value of 0.294, which is greater than the standard significance level of 0.05. This indicates there is statistically no significant association between gender and satisfaction level of the bank's overall customer service experience.

FINDINGS:

CHI-SQUARE ANALYSIS

1. There is no significant relationship between age and satisfaction of overall training and development opportunities provided by bank
2. There is no significant relationship between Gender and satisfaction of criteria used in the performance appraisal of the bank.

ONE- WAY ANOVA

1. There is no significant association between age group and Opinion on the bank facing significant challenges.
-

SUGGESTIONS:

1. Examine the tactics used by both institutions to keep talented workers in a cutthroat financial industry, paying particular attention to elements other than monetary pay.
 2. Examine how employee input is used to enhance working conditions and how much of it is integrated into the creation and application of HR policies.
 3. Examine how HRM procedures have been modified to address the particular difficulties brought about by shifting regulations and fluctuations in the economy, paying particular attention to the management of employee stress
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CONCLUSION:

The HRM practices of State Bank of India (SBI) and Karur Vysya Bank (KVB) in Coimbatore are compared in this study. While KVB prioritizes performance-based incentives, flexible rules, and cutting-edge digital tools, SBI takes a structured approach to HR, emphasizing job stability, employee perks, and training initiatives. The two banks have different work cultures, professional progression prospects, and employee happiness. Productivity and organizational efficiency can be increased by using best practices from both. In the cutthroat banking industry, a well-rounded HRM strategy that blends rigid regulations with adaptable projects can boost worker performance, retention, and happiness.

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