

A STUDY ON HR POLICES AND PRACTICES AT KOTAK MAHINDRA BANK LTD

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ABSTRACT

Given the strategic relevance of Human Resources Management (HRM) in organizations and the lack of scientific instruments to measure employees' perceptions about policies and practices of HRM, this study aimed to validate the Human Resources Management Policies and Practices Scale (HRMPPS) through exploratory and confirmatory factor analysis using the maximum likelihood method. The study has a quantitative design, but also included qualitative analysis required for the development of a scale. Employees from various organizations composed a sample of 632 people. Scale reliability was assessed by Cronbach's alpha and Jöreskog's rho. A six-factor model was generated showing high-reliability and good fit. Construct validity was provided through convergent and discriminant analyses. The factors were consistent with the literature review and explained about 58% of the construct's total variance. This study contributes to the scientific production in the area of Human Resources Management since HRMPPS can be used not only in relational studies but also as an evaluation instrument by managers who wish to improve their employees' well-being as well as organizational outcomes.

1. INTRODUCTION:

Torrington and Hall (1987) define personnel management as being: "A series of activities which: first enable working people and their employing organizations to agree about the objectives and nature of their working relationship and, secondly, ensures that the agreement is fulfilled" While Miller (1987) suggests that HRM relates to: "Those decisions and actions which concern the management of employees at all levels in the business and which are related to the implementation of strategies directed towards creating and sustaining competitive advantage" **Human resource policies** are systems of codified decisions, established by an organization, to support administrative personnel functions, performance management, employee relations and resource planning. Each company has a different set of circumstances, and so develops an individual set of human resource policies.

Developing the HR Policies

HR policies provide an organization with a mechanism to manage [risk](#) by staying up to date with current trends in employment standards and legislation. The policies must be framed in a manner that the company's vision & the human resource helping the company to achieve it or work towards it are at all levels benefited and at the same time not deviated from their main objective.

Purposes

HR policies allow an organization to be clear with employees on:

- The nature of the organization
- What they should expect from the organization
- What the organization expects of them
- How policies and procedures work
- What is acceptable and unacceptable behavior
- The consequences of unacceptable behavior

The establishment of policies can help an organization demonstrate, both internally and externally, that it meets requirements for diversity, ethics and training as well as its commitments in relation to regulation and corporate governance. For example, in order to dismiss an employee in accordance with employment law requirements, amongst other considerations, it will normally be necessary to meet provisions within employment contracts and collective bargaining agreements. The establishment of an HR Policy which sets out

obligations, standards of behavior and document disciplinary procedures, is now the standard approach to meeting these obligations.

HR policies can also be very effective at supporting and building the desired organizational culture. For example, recruitment and retention policies might outline the way the organization values a flexible workforce, compensation policies might support this by offering a 48/52 pay option where employees can take an extra four weeks holidays per year and receive less pay across the year.

OBJECTIVES OF THE STUDY:

1. **EMPLOYEE WELL BEING** • The diverse & vibrant workforce fuels the growth engine of the bank • Employee wellbeing is one of the important hr policies of the bank • Employee wellbeing and holistic development are corner stones of the bank people agenda. • For the wellbeing they introduced healthy activities like strategic organized and interdisciplinary application of knowledge, skills and competencies which are necessary
2. **KOTAK MAHINDRA BANK VISION:** To be the most trusted Global Indian Financial Services brand and the most preferred financial services employer with focus on creating value. **MISSION:** Our customers must enjoy the benefits of dealing with a Global Indian brand that best understands their needs and delivers customized pragmatic solutions across multiple platforms. Mr. Uday Kotak
3. **INTRODUCTION** • Kotak Mahindra Bank is the fourth largest Indian private sector bank by market capitalization, headquartered in Mumbai, Maharashtra. • Kotak Mahindra group, established in 1985 by Uday Kotak, is one of India's leading financial services conglomerates. In February 2003, Kotak Mahindra Finance Ltd. (KMFL), the Group's flagship company, received a banking license from the Reserve Bank of India (RBI). With this, KMFL became the first non-banking finance company in India to be converted into a bank – Kotak Mahindra Bank Limited (KMBL). • In 2014, Kotak Bank acquired ING Vysya Bank for a deal valued at ₹15000 crore (US\$2.3 billion). With the merger, the total human resource count will jump to almost 40,000 heads and the branch was expected to rise over 1200. Post the merger, ING Group which controlled ING Vysya Bank will own 7% share in Kotak Mahindra Bank.
4. **CONTRACTUAL WORKFORCE** • Kotak Mahindra bank has stipulated contract clauses with all contractors to ensure that statutory requirements for contract labor wages and welfare are strictly adhered to. • Monthly meetings held with vendors/contractors serve as a platform for dialogue between vendors/contractors and the bank, and records vendors and contractors' suggestions and grievances. • All reported grievances are tracked and resolved. • Statutory requirements on wage payments/Provident Fund (PF) payments by vendors are verified through collection of payment proofs.

NEED FOR THE STUDY:

In the past decade, the news headlines have definitely made it clear that the need for management should be one of the top agendas in modern day society. The rages alone such as Road Rage and the trends of violent acts in life today prove a lot of it well. Living today is a lot tougher than it was even in the days of the great depression. It's been coming out in many ways such as all-time occurrences of stomach and intestinal ulcers. Others find sleep disorders and wind-up zombies during their busy days. Insomnia is growing in leaps and bounds.

Today stress management is important in everyone's lives. It's necessary for long happy lives with less trouble that will come about. There are many ways to deal with stress ranging from the dealing with the causes of stress to simply burning off its effects. A good place to start in planning your own stress management would be finding the roots of your stress. It can come from physical exertion and mental strain as well. We all have these things in our everyday life. Its effects on our overall being can vary dramatically from others experiences. For that reason, your needs in stress management may indeed differ from theirs as well.

Need for basic purposes of HRM POLICIES:

- 1) To increase productivity.
- 2) To improve quality.
- 3) To help a company fulfill its future personnel needs.
- 4) To improve organizational climate.
- 5) To improve health & safety.
- 6) Obsolescence prevention.
- 7) Personal growth.

SCOPE OF THE STUDY

1. Employment:

Policies concerning with recruitment, selection and separation of employees.

ADVERTISEMENTS:

These policies should provide mandatory guidelines for:

- (i) Qualifications – Minimum hiring qualifications.
- (ii) Selection Devices – Dependence on various selection devices such as university degrees, tests, interviews, reference checks, physical examination, etc.
- (iii) Basis – Basis (length of service or efficiency) to be followed in discharging an employee.
- (iv) Sources – Preferred sources of recruitment.
- (v) Reservation – Reservation of seats for scheduled castes, scheduled tribes, handicapped persons, and ex-servicemen.
- (vi) Local Employment of local people and relations of existing staff.
- (vii) Probation – Probation period.
- (viii) Layoff – Layoff and retiring.

Scope 2. Training and Development:

- (i) Attitude – Attitude towards training-whether it is regarded as a device to overcome specific problems or as a continuing relationship between superior and subordinate.
- (ii) Executive Development – Programmed of executive development.
- (iii) Orientation – Orientation of new employees.
- (iv) Objectives – Objectives of training.
- (v) Development – Opportunities for career development.
- (vi) Training – Basis of training.
- (vii) Methods – Methods of training-on-the-job or off-the-job.

Scope 3. Transfers and Promotions:

- (i) Rationale – Rationale of transfer.
- (ii) Periodicity – Periodicity of transfer.
- (iii) Promotion – Promotion from within or outside the organization.
- (iv) Seniority – Seniority required for promotion.
- (v) Weightage – Relative weightage to seniority and merit in promotion.
- (vi) Seniority – Seniority rights.
- (vii) Channel – Channels of promotion.

Scope 4. Compensation:

- (i) Evaluation – Job evaluation system.
- (ii) Wages – Minimum wages and salaries.
- (iii) Mode – Method of wage payment.
- (iv) Profit Sharing – Profit sharing and incentive plans.
- (v) Non-monetary – non-monetary rewards.
- (vi) Executive – Executive stock option plan.
- (vii) Procedure – Procedure for getting payment.
- (viii) Condition – Whether to pay prevailing or more than prevailing salary scales.

RESEARCH METHODOLOGY

Research Design

is scientific and systematic search pertinent information in a specific topic. The meaning of research is "A Careful Investigation (or) Inquiry.

HRM POLICIES is the corner stone of sound management, and it makes employees and employers more effective and productive. It is actively and intimately connected with all personnel and managerial activities.

There is a present need for HRM POLICIES measures. So that new and changed techniques may be taken advantage and improvements effected in new methods, which are woefully inefficient. Training is practical and of vital necessity because, apart from other advantages mentioned, and increase their "Market Value", earning power job secure Kotak Mahindra Bank is spending for HRM POLICIES activities. It is introducing global concepts like

- Team Building
- Time Management

It uses all the technology available and modern equipment in HRM POLICIES programmers. In a contemporary study, it was revealed that it is more inflammable so the workers and superiors must concentrate on the work what they are doing. At any time if they don't concentrate on their work, it is very dangerous to the whole industry.

Sampling Technique

Sample planning consists four major parts they are

- Sample Unit: Employees
- Sample Size: 100
- Population: 598
- Sample frame: Employees of KOTAK MAHINDRA BANK, Hyderabad
- Sample procedure: Convenience Sampling

Sample Size

SAMPLING

Sampling is always necessary to collect data from the whole organization. A small representative sample may serve the purpose. Sample means "A Group Taken from a Large Lot ". This small group should be miniature cross-section and really "Representative" in character. This selection process is called Sampling .**SAMPLE SIZE**

Sample is device for learning about masses by observing a few individuals that selected sample is "100".

Data sources

DATA SOURCES

Data can be broadly classified as;

- 1) Primary data.
- 2) Secondary data.

Primary data

Primary data is obtained through observation, questionnaires, and personal interviews.

Secondary Data

Secondary data is obtained through various through net

Newspapers and Internet web: www.KOTAK MAHINDRA BANK.com

Tools used for Data Analysis& Interpretation

Statistical tools used

Percentage method:

Percentage method is used in making comparison between two or more series of data. This is used to describe relationship.

$$\text{Percentage of respondents} = \frac{\text{No of respondents}}{\text{Total No of respondents}} \times 100$$

Total respondents

The method of study followed in this project (in brief):

Sample size: 100

Data collection method: Primary and Secondary.

Duration of study: 45 days.

Analysis: Through percentage method.

DATA ANALYSIS AND INTERPRETATION

Data analysis has done through bar charts. The responses of employees through the survey were modeled through the bar diagrams using the percentages. Qualitative Data Analysis Techniques

LIMITATIONS OF THE STUDY

1. Firstly, the respondents were not available readily and the data were collected as per the convenience of the respondents.
2. Secondly the sample of respondents was very less given by the organization hence appropriate sample technique was not applied for selecting the respondents.
3. Thirdly, time is also one of constraints. Duration of 45 days is not sufficient to cover all the aspects of the study.
4. For the above limitation the study conducted may not give the true representation of the entire organization.

CHAPTER-IV

DATA ANALYSIS & INTERPRETATION

Purpose of Analysis of data

The purpose of the scientific analysis was first explained by Leon Festinger and Daniel Katz and according to both of them; the purpose of the analysis of the data can be explained as follows –

1. Should be very productive in nature, with high significance for some systematic theory.
2. Should be readily disposed to the quantitative treatment.

Procedure for the Analysis of the data

Data collected can be used in the best possible effective manner by performing the following activities –

1. Carefully reviewing all the data collection.
2. Analyzing the data then with the help of certain suitable techniques.
3. Results obtained from the analysis of the data should then be related to the study's hypothesis.

Analysation Steps

The various steps of the analysis of the data were given by Herbert Hyman and can be summarized as follows –

1. Tabulation of the data after conceptualization, relating to every concept of the procedure is done which ultimately provides an explanation based on the quantitative basis.
2. Tabulation in the same way is carried out for every sub group, which gives quantitative description.
3. To get statistical descriptions consolidating data for different aspects is brought into use.
4. Examination of such data is then done, which helps in improving the evaluation of the findings.
5. Different qualitative and non statistical methods are brought into the use for obtaining quantitative description but only if it is needed.

Types of Analysis

1. Descriptive Analysis –

- Also referred to as the One Dimensional Analysis.
- Mainly involves the study of the distribution of one variable.

- Depicts the benchmark data.
- Helps in the measurement of the condition at a particular time.
- Acts as the prelude to the bi – variate and multivariate analysis.
- Such an analysis may be based on the one variable, two variables or more than two variables.
- Helps in getting the profiles of the various companies, persons, work groups etc.

2. Casual analysis –

- Also referred to as the Regression Analysis.
- Has their root in the study of how one or more variables affect the changes in the other variable.
- Explains the functional relationship between two or more variables.
- Helps in experimental research work.
- Explains the affect of one variable on the other.
- Involve the use of the statistical tools.

3. Co – Relative Analysis –

- Involves two or more variables.
- Helps in knowing correlation between these two or more variables.
- Offers better control and understanding of the relationships between the variables.

4. Inferential Analysis –

- Involves tests of significance for the testing of the hypothesis.
- Helps in the estimation of the population values.
- Helps in the determination of the validity data which can further lead to draw some conclusion.
- Takes an active part in the interpretation of the data

The collection of the data is followed by the analysation of the data, which further is followed by the interpretation of the data. This step enables the researcher to interpret the results which have been obtained from the analysation of the data.

According to C. William Emory, “Interpretation has two major aspects namely establishing continuity in the research through linking the results of a given study with those of another and the establishment of some relationship with the collected data. Interpretation can be defined as the device through which the factors, which seem to explain what has been observed by the researcher in the course of the study, can be better understood. Interpretation provides a theoretical conception which can serve as a guide for the further research work”. Interpretation of the data has become a very important and essential process, mainly because of some of the following factors –

1. Enables the researcher to have an in – depth knowledge about the abstract principle behind his own findings.
2. The researcher is able to understand his findings and the reasons behind their existence.
3. More understanding and knowledge can be obtained with the help of the further research.
4. Provides a very good guidance in the studies relating to the research work.
5. Sometimes may result in the formation of the hypothesis.

1) Do you feel that training programmers are necessary for employees?

(a) YES

(b) NO

S.NO	OPTIONS	NO OF RESPONDENTS	% OF RESPONDENTS
1	YES	100	100
2	NO	0	0
	TOTAL	100	100

Table:1

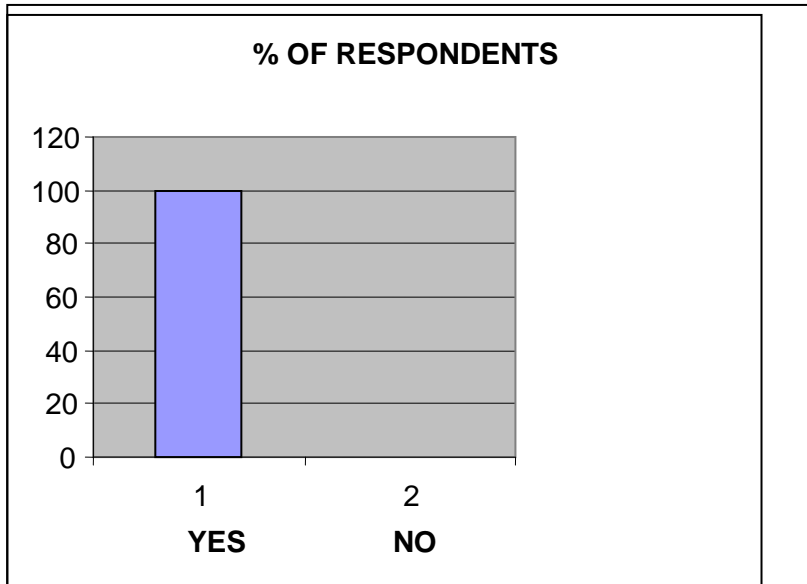


Figure:1

Interpretation:

From the above analysis we can say that 100% employees feel that the training programmers are necessary for employees. The 0% employees feel that training programmers are not necessary for employees.

2) Training & development programmers affect employees in getting promotion. Do you agree?

(a) Agree (b) Disagree

S.NO	OPTIONS	NO. OF RESPONDENTS	% OF RESPONDENTS
1	AGREE	100	100
2	DISAGREE	0	0
3	TOTAL	100	100

Table:2

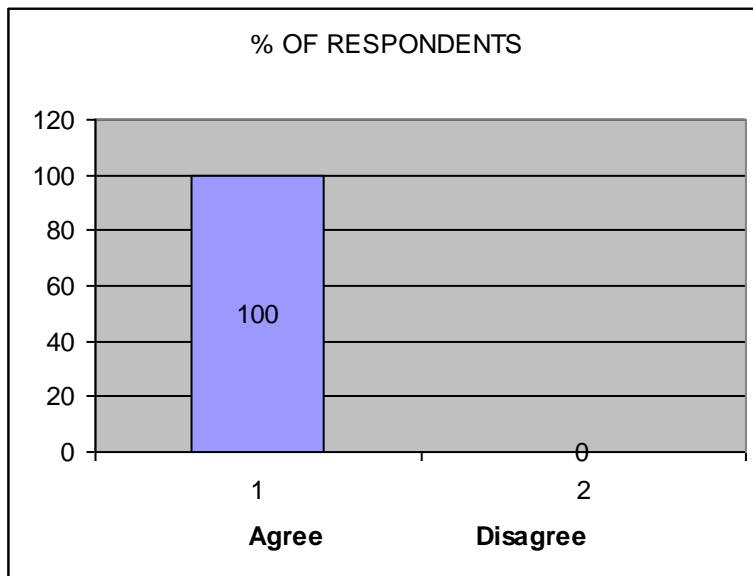


Figure:2

Interpretation:

About 100% of the employees agreed that the training and development programmers affect employees in getting promotion and 0% of the employees disagreed that the training and development programmers affect employees in getting promotion.

3) Are you satisfied with present HRM Planning following in your organization?

(a) YES (b) NO

S.NO	OPTIONS	NO OF RESPONDENTS	% OF RESPONDENTS
1	YES	56	56
2	NO	44	44
	TOTAL	100	100

Table:3

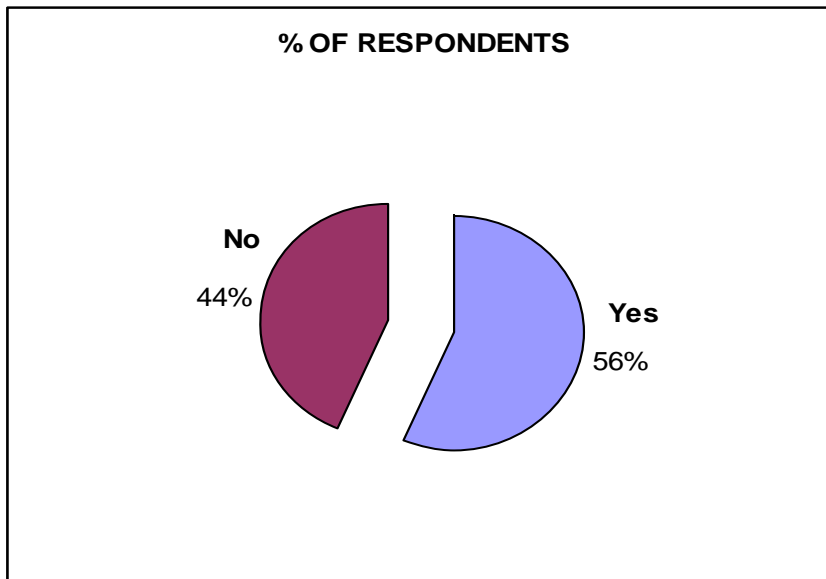


Figure:3

Interpretation:

About 56% of the employees are satisfied with present HRM programmers in organization. 44% of the employees were not satisfied with present programmers in organization.

1) Are you satisfied with working conditions in your organization?

(a) YES (b) NO

S.NO	OPTIONS	NO OF RESPONDENTS	% OF RESPONDENTS
1	YES	80	80
2	NO	20	20
	TOTAL	100	100

Table:4

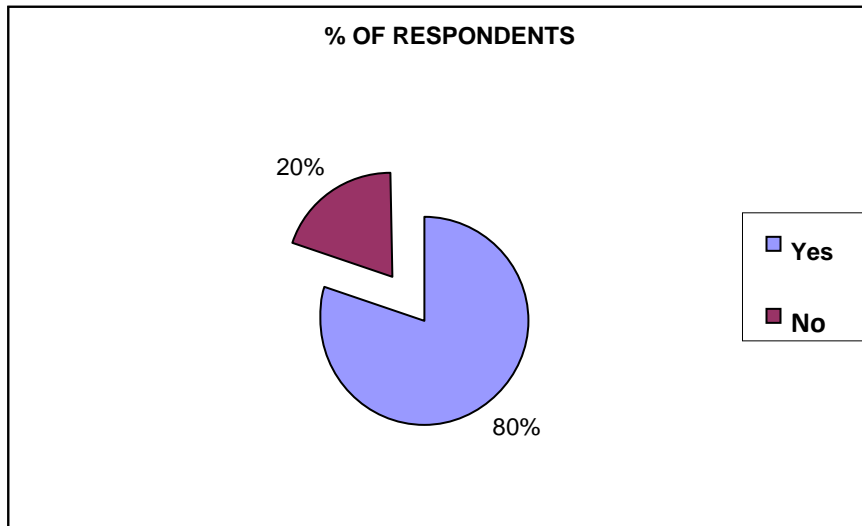


Figure:4

Interpretation:

From the above analysis 80% of the employees are satisfied with working conditions in this organization. Rest 20% of the employees are satisfied with Working conditions in this organization.

2) Did Organization give sufficient freedom to express your views and suggestions?

(a) YES (b) NO

S.NO	OPTIONS	NO OF RESPONDENTS	% OF RESPONDENTS
1	YES	100	100
2	NO	0	0
3	TOTAL	100	100

Table:5

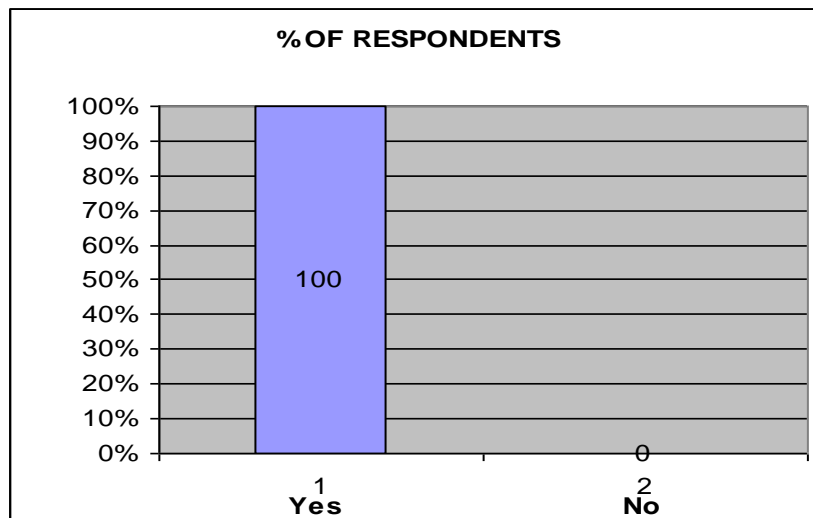


Figure:5

Interpretation: All the employees are satisfactory in the expiration of their views and suggestions

6) Does your management give you recognition for good results?

(a) YES (b) NO

S.NO	OPTIONS	NO OF RESPONDENTS	% OF RESPONDENTS
1	YES	80	80

2	NO	20	20
	TOTAL	100	100

Table:6

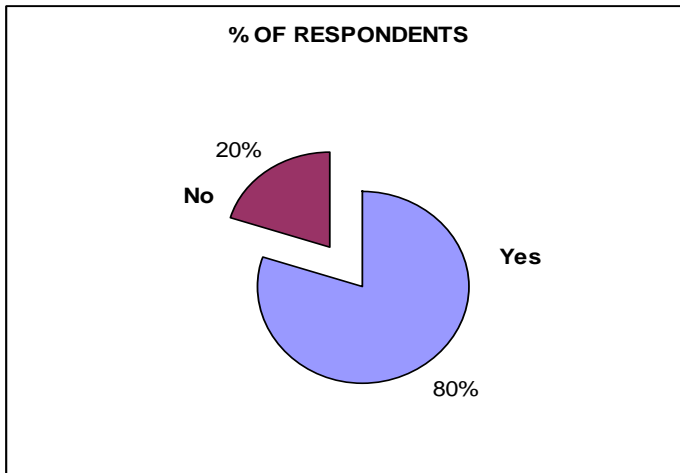


Figure:6

Interpretation:

From the above analysis we can say that 80% of the employees respond that their management gives recognition for their good results. And 20% of the employees respond that their management not gives recognition for their good results.

7 . Duration of training & Development programmed is sufficient?

(a) YES (b) NO

S.NO	OPTIONS	NO OF RESPONDENTS	% OF RESPONDENTS
1	YES	20	20
2	NO	80	80
	TOTAL	100	100

Table:7

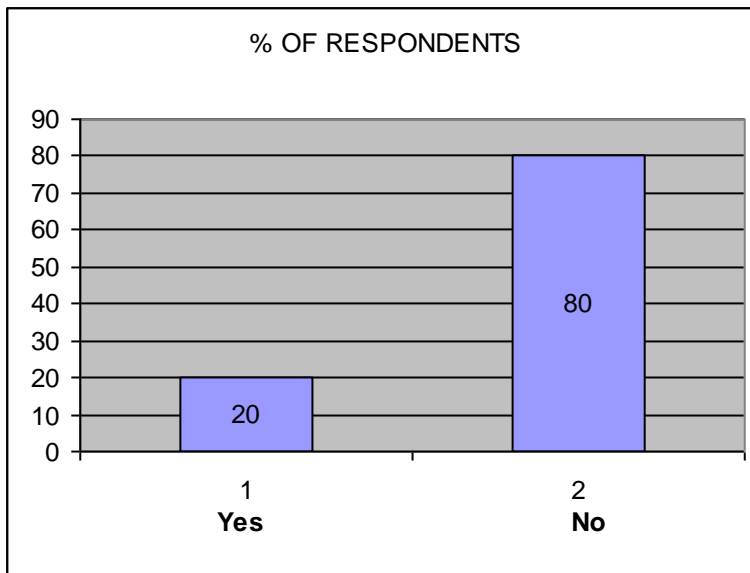


Figure:7

Interpretation:

From the above analysis we can say that 80% of the employees are not sufficient for duration of the programmed. And 20% of the employees are sufficient for duration of the programmed.

8) Do you think that incentives are needed for attending training programmers?
 (a) YES (b) NO

S.NO	OPTIONS	NO OF RESPONDENTS	% OF RESPONDENTS
1	YES	100	100
2	NO	0	0
	TOTAL	100	100

Table:8

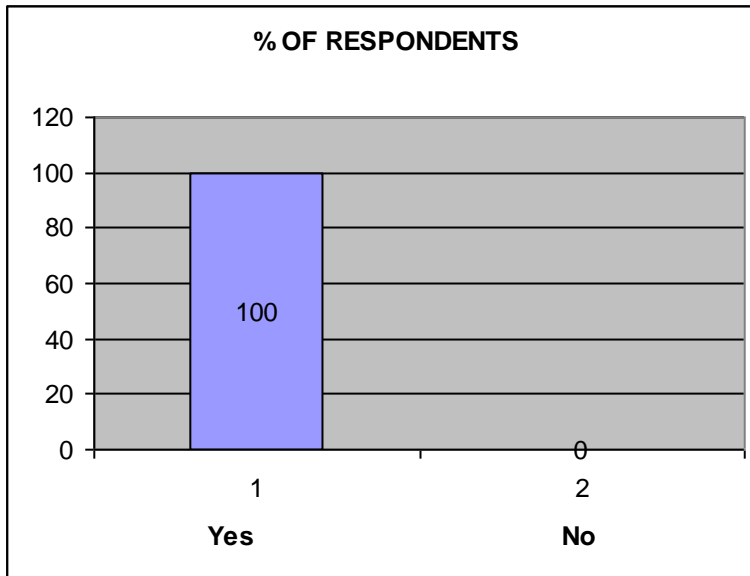


Figure:8

Interpretation:

From the above analysis we can say that 100% of the employees feel Those incentives are needed for attending training programmers. 0% of the employees feel Those incentives are not needed for training programmers.

9) Duration of the Strategy of individual employee programmed is:

(a) Short term (b) Medium (c) long term

S.NO	OPTIONS	NO.OF RESPONDENTS	% OF RESPONDENTS
1	SHORT TERM	40	40
2	MEDIUM	60	60
3	LONG TERM	0	0
	TOTAL	100	100

Table:9

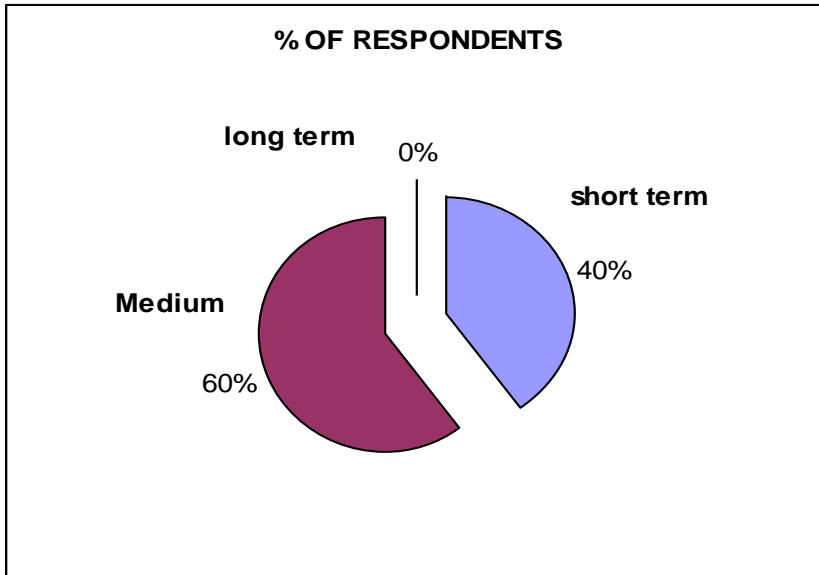


Figure:9

Interpretation:

About 40% of the employee's opinion of the duration of Strategy Programmed I short term, 60% of employees opinion is medium and 0% of employees Opinion is long term.

10) Do you have promotional policies in organization?

(a) YES (b) NO

S.NO	OPTIONS	NO OF RESPONDENTS	% OF RESPONDENTS
1	YES	100	100
2	NO	0	0
	TOTAL	100	100

Table:10

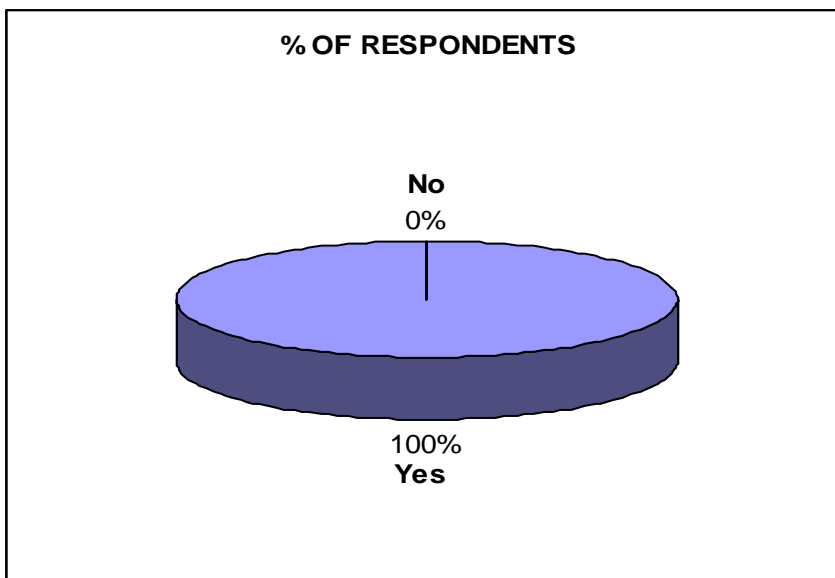


Figure:10

Interpretation:

About 100% of the employees responds that they have a promotion policies in the organization.

11) Will you have an opportunity to apply your newly acquired knowledge and skills?

	a) To a Small extent	(b) To a Full extent	(c) To a Great extent
S.NO	OPTIONS	NO. OF RESPONDENTS	% OF RESPONDENTS
1	TO SMALL EXTENT	20	20
2	TO FULL EXTENT	56	56
3	TO GREAT EXTENT	24	24
	TOTAL	100	100

Table:11

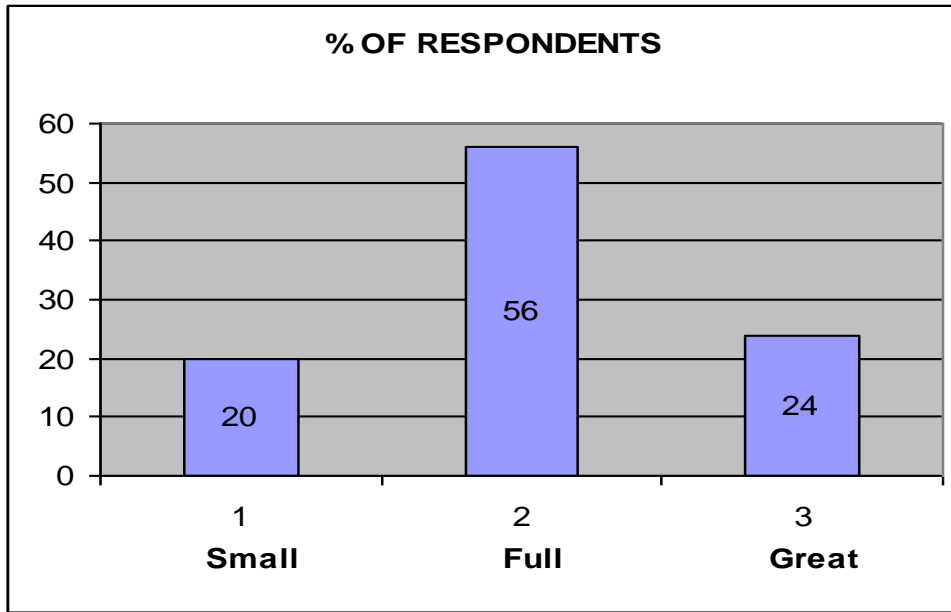


Figure:11

Interpretation:

About 20% of employees has a small extent of opportunity to apply newly acquired knowledge and skills. 56% of the employees has a full extent and 24% of the employees has a great extent of opportunity to apply newly acquired knowledge and skills.

12) What is the overall impression of the Organization?

	(a) Excellent	(b) Good	(c) Satisfactory	(d) Poor
S.NO	OPTIONS	NO.OF RESPONDENTS	% OF RESPONDENTS	
1	EXCELLENT	0	0	
2	GOOD	60	60	
3	SATISFACTORY	40	40	
4	POOR	0	0	
	TOTAL	100	100	

Table:12

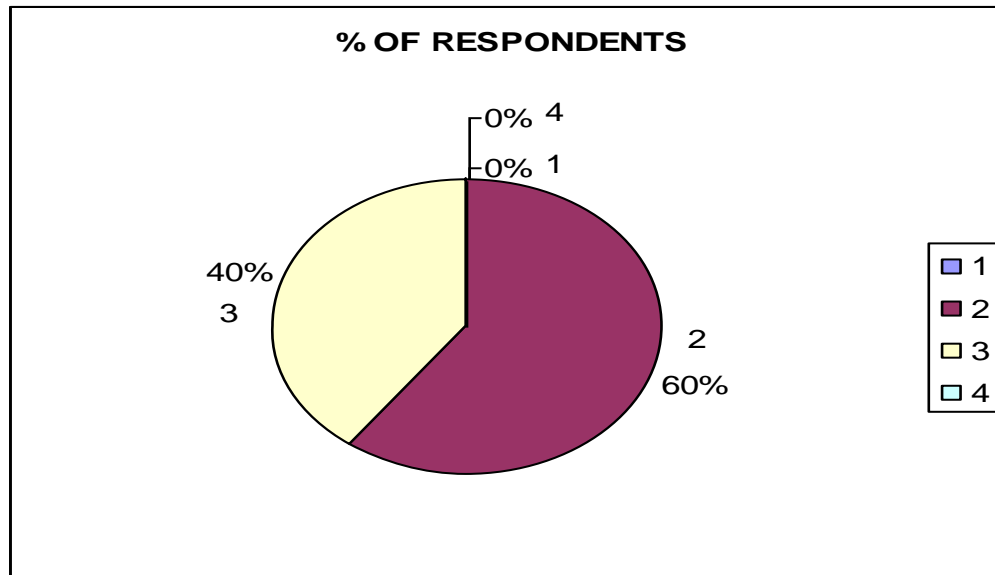


Figure:12

Interpretation:

About 60% of the employees opinion is Good on the overall impression of the organization. 30% of the employees were Satisfactory and 0% of the employees were Excellent and Poor on the overall impression of the organization.

CHAPTER-V

CONCLUSIONS

- The strategy program in **HDFC BANK LTD** is focused on new and old employees.
- Training program is conducted quarterly.
- HR planning principals & program in **HDFC BANK LTD** is based on the performance and seniority.
- The HRM planning program in **HDFC BANK LTD** is also the company response to new innovation and upcoming technologies.
- The goal of the program is mainly to improve the job related skills.
- It has been observed during the study that most of the employees expressed the need for each employee to attend the training program least once in a year.
- Most of the trainees supported external faculty rather than internal.
- The job security is not been effected by the program being undergone.
- The training program is very much relevant to the present nature of work.

FINDING

- The HRM Planning program may be arranged so that each of the employees under goes it at least once in a year.
- The training sessions should be handled by both the internal and external faculty so that it provides more comfort and also the knowledge of the external environment.
- The modern methods of HRM planning should be used so as to have a competitive edge in the market place.
- The organization should also have high emphasis on the accuracy of performance in the program.
- Training should be given to all groups at all levels to improve the efficiency on the whole.

- The HRM planning conducted should be need training programs for improvement of the skills and the knowledge.
- All the employees should be provided a minimum and basic technical knowledge.

SUGGESTIONS

The conclusions so far drawn from the study tempts to offer the following suggestions for making the organization ready for empowerment. The conclusions drawn above convince anybody to identify the following areas to chart out training programs for the executives to make them completely ready for empowerment

1. A general training program covering the importance of and need for employee empowerment in the light of global competition is to be designed in brainstorming session involving internal and external experts.
2. The present study identifies the following areas in which training is to be undertaken.
 - ✦ A training program may be undertaken for Executives in general and to Senior Executives in particular to convince and make them accept the empowerment concept.
 - ✦ Executives working in technical areas to be trained effectively in the areas of their role and interpersonal dependence and relations to make empowerment more fruitful.
 - ✦ A training program may be undertaken about "Shared Leadership" which brings high morale and high productivity and makes the empowerment a success.
 - ✦ The subordinate staff who is going to be empowered must be ready to take up this responsibility. A study is to be conducted among the subordinate staff to find out their readiness to discharge the new roles under this empowerment program. This helps in identifying the training areas, to make the subordinate staff completely ready for undertaking empowerment.

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