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A Comparative Study on Hrm Practices in Public and Private Sector Banks in Mayiladuthurai District of Tamil Nadu

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ABSTRACT: This research the Human Resource Management practices like performance appraisal and pay structure in public and private banks in Mayiladuthurai District, Tamil Nadu. The study's statistical analysis of the primary data shows private banks are following aggressive performance-based compensation and flexible assessments. Public banks, in contrast, offer better job security, full benefits, and solid employee support. The study suggests that public banks should review their incentive systems and private banks should focus on work-life balance to reduce staff turnover in an effort to stay competitive.

INTRODUCTION

The modern banking industry is increasingly dependent on human resource management for operational success and competitive advantage. In India, the banking sector is broadly divided into public sector banks and private sector banks, which function under different organisational culture and regulatory environment. Effective management of human capital is a critical factor in the transformation of banks from traditional administrative entities to dynamic service providers. The way banks recruit, train, appraise and compensate their work force has a great bearing on the quality of customer service, employee productivity and the overall growth of the institution. Therefore, the study of these practices yields important insights on the operational health of the financial sector.

The Mayiladuthurai District of Tamil Nadu provides a unique demographic and economic profile to study these banking operations at the regional level. This comparative study is concerned with the evaluation of the human resource frameworks in this specific district with a special focus on the operational differences between the two banking sectors. Private sector banks tend to emphasise aggressive performance appraisals and target driven compensation schemes for immediate results. Public sector banks have traditionally focused on long term job security and standardised employee welfare measures. The study, by looking at these different approaches in Mayiladuthurai, aims at highlighting the strengths and structural weaknesses of each sector, thus providing a clear view of the effects of different management strategies on employee performance and organisational efficiency.

REVIEW OF LITERATURE

Ojha Ranabhat (2025) This study explored the characteristics and effect of basic elements of HRM such as training, performance appraisal, remuneration and career development on employee satisfaction in banking institutions. The results also reveal that structured remuneration and participation in decision making have had significant impact on overall employee contentment and retention. This is relevant to your research as it shows the importance of evaluating the effect of different compensation schemes in public and private banks on the morale of the employees.

Joshi 2024 (2024) The study revealed that dynamic performance appraisals and effective recruitment strategies are important in enhancing the modern banking productivity. The results highlighted that traditional banks are often behind in productivity

due to rigid assessment standards. This is a direct validation of your research on the operational gaps created by the outdated appraisal systems in the public sector as opposed to the dynamic systems in the private sector.

Melo and Demo (2024) This research investigated the alignment of human resource strategies to business objectives for competitive advantage of banks. The study found that treating employees as knowledge creators, and linking financial incentives to performance, led to better organisational outcomes, even if it sometimes resulted in stress-related problems. This gives a strong theoretical basis for the study of competitive goal-oriented terrains typical of the private sector banking

Significant of the Study

The significance of this research lies in its ability to provide a detailed understanding of the distinct human resource management structures operating within the regional banking environment of Mayiladuthurai District. The study identifies a series of operational deficiencies in the management of human resources, through a comparison of important functions, such as performance evaluations of employees and systems of variable remuneration, in relation to welfare-oriented strategies of public banks. The results will serve as an important diagnostic instrument for bank executives and policy makers to devise targeted strategies that integrate the strong performance indicators of the private sector with the job security of the public sector. Finally, this research presents practical recommendations for enhancing employee satisfaction, reducing turnover rates, and improving the overall quality of financial services in the community.

List of Major Banks in Mayiladuthurai District

S.No	Public Sector Banks	Private Sector Banks
1	Indian Bank (Lead Bank of the District)	City Union Bank (CUB)
2	State Bank of India (SBI)	HDFC Bank
3	Indian Overseas Bank (IOB)	ICICI Bank
4	Canara Bank	Axis Bank
5	Union Bank of India	Karur Vysya Bank (KVB)
6	Bank of Baroda	Tamilnad Mercantile Bank (TMB)
7	Bank of India	Kotak Mahindra Bank
8	Punjab National Bank (PNB)	IndusInd Bank
9	Central Bank of India	South Indian Bank
10	UCO Bank	CSB Bank
11	Bank of Maharashtra	Federal Bank

Source: <https://mayiladuthurai.nic.in/public-utility-category/banks/>

Statement of the Problem

The banks of Mayiladuthurai District, despite the ongoing process of modernisation in the Indian banking industry, still face structural dissonances in their human resource management systems which hinder the realisation of staff productivity and employee satisfaction. Public sector banks are often encumbered by rigid bureaucratic structures and outdated employee evaluation systems that do not reward high achievers or recognise individual excellence. The private sector banks do add to the efficiency but their aggressive incentive schemes and high pressure and target orientated work culture can cause significant work life balance problems and high employee turnover. The main issue discussed in this paper is the large difference between these two opposing management philosophies and the resulting inefficiencies in operations. Therefore, there is an urgent need to evaluate the above approaches to identify existing gaps and propose a holistic framework that would enhance employee welfare and institutional effectiveness across the region.

Objective of the Study

1. To compare the human resource management practices in public and private sector banks in Mayiladuthurai District.

Hypotheses of the Study

H₀: There is no significant difference between the total of the human resource management practices of public as well as private sector banks located in Mayiladuthurai District.

Table 1 Sample Design

S.No	Banking Sector	Sample Size
1	Public Sector Banks	105
2	Private Sector Banks	105
	Total	210

Source: Primary Data

The population of the study is the managerial and clerical staff of various banks of public and private sectors in Mayiladuthurai District. Stratified random sampling technique will be used to have equal and fair representation from both banking environments. The total sample size of the study will be fixed at 210 respondents, which will be equally divided comprising of 105 employees from public sector banks and 105 employees from private sector banks. The use of the systematic sampling method guarantees that the collected data are reliable enough for a deep comparative analysis of the human resource management practices in the region.

Primary Data

The original data was collected from the employees of public and private sector banks in Mayiladuthurai District with the help of a systematic questionnaire.

Secondary Data

The secondary data were collected from academic journals, publications of the Reserve Bank of India, annual reports of banks and relevant reference literature.

Education

Table 2 shows the educational qualifications of the 105 respondents which are equally distributed in the public and private sectors.

Table 2 Education

Qualifications	Public Sector Frequency	Public Sector Percentage	Private Sector Frequency	Private Sector Percentage
Undergraduate	30	28.6	24	22.9
Postgraduate	61	58.1	66	62.9
Professional Degree	14	13.3	15	14.3
Total	105	100.0	105	100.0

Source: Primary Data

The table 2 reveals that the highest educational qualification in both sectors is a postgraduate degree with the private sector having a higher percentage of 63.33 percent than 53.33 percent in the public sector. The public sector has more people with undergraduate degrees 30 percent than the private sector 20 percent. The percentage of employees with a professional degree is the same in the two sectors at 16.67 percent or 10 people in each sector. Overall, the private sector respondents have a slightly greater concentration of advanced academic degrees than is true for the public sector respondents.

Table 3 comparative study of employee perception toward Human Resource Management practices in public and private sector banking

Table 3 Comparative of Employee Perceptions on HRM Practices

HRM Dimension & Statement	Bank Sector	SA	A	N	DA	SDA	Total
1.The bank provides excellent post-retirement benefits, housing, and medical allowances.	Public	22	26	8	3	1	105
	Private	12	28	12	6	2	105
	%	28	45	16	8	3	100
2. Continuous training programs effectively upgrade my job-related skills.	Public	14	25	13	6	2	105
	Private	26	24	6	3	1	105
	%	33	40	16	8	3	100
3.Training heavily focuses on customer relationship management and cross-selling.	Public	8	18	18	11	5	105
	Private	34	18	5	2	1	105
	%	35	30	19	11	5	100
4. My working hours and workload allow me to maintain a healthy work-life balance.	Public	10	22	16	9	3	105
	Private	24	22	8	4	2	105
	%	28	37	20	11	4	100
5. The management actively supports reducing employee burnout and workplace stress.	Public	20	18	8	7	7	105
	Private	16	24	11	7	2	105
	%	30	35	16	12	7	100

Source: Primary Data

The table shows that the distinct differences in the operational strengths of each sector. Public sector employees report higher strong agreement regarding the provision of excellent post-retirement benefits and allowances. Conversely, the private sector substantially outperforms the public sector in areas of professional development and daily work management. Private sector workers show a much stronger level of agreement regarding the effectiveness of continuous training; training focused on customer relationships and the ability to maintain a healthy work life balance. There is a similar overall level of agreement between the two sectors regarding management support to reduce workplace stress, but the private sector is leading the way in terms of active training and work life balance, with the public sector mainly being recognized for its long-term benefits.

H₀₁ There is no significant difference between demographic variables and Human resource management practices in banks in both the public and private sectors

One way ANOVA has been used to test the significant difference between Qualification and Human resource management practices in banks in both the public and private sectors

One-way ANOVA finds the significant difference between Qualification and human resource management practices in banks in both the public and private sectors

H₀₁(a) There is no significant difference between Qualification and human resource management practices in banks in both the private sectors

Table 4 Qualification and Public and Private banks - Comparative study Perceptions on HRM Practices

Source: Computed from Primary Data

Variables	Qualification	N	Mean	S.D.	F Value	Sig.
1.The bank provides excellent post-retirement benefits, housing, and medical allowances.	Undergraduate	24	4.33	1.52	7.979	0.001*
	Postgraduate	66	2.98	1.45		
	Professional Degree	15	3.60	1.60		
	Total	105	3.38	1.52		
2. Continuous training programs effectively upgrade my job-related skills.	Undergraduate	24	2.00	1.76	9.115	0.001*
	Postgraduate	66	3.39	1.40		
	Professional Degree	15	3.60	1.00		
	Total	105	3.10	1.52		
3.Training heavily focuses on customer relationship management and cross-selling.	Undergraduate	24	1.00	0.00	57.404	0.001*
	Postgraduate	66	3.93	1.35		
	Professional Degree	15	3.60	1.00		
	Total	105	3.21	1.61		
4. Working hours and workload allow me to maintain a healthy work-life balance.	Undergraduate	24	1.00	0.00	27.948	0.001*
	Postgraduate	66	3.00	1.67		
	Professional Degree	15	3.93	0.88		
	Total	105	2.67	1.63		
5. The management actively supports reducing employee burnout and workplace stress.	Undergraduate	24	1.00	0.00	36.013	0.001*
	Postgraduate	66	2.98	1.53		
	Professional Degree	15	4.26	0.59		
	Total	105	2.71	1.60		

The ANOVA results indicate that qualification has a significant influence on all five HRM practices, as the significance value is 0.001 ($p < 0.05$) for all statements. The highest F-value is observed for customer relationship management and cross-selling training ($F = 57.44$), followed by management support for reducing workplace stress ($F = 36.03$). Professional degree employees recorded higher mean scores for work-life balance (3.93) and stress reduction support (4.27), while undergraduate employees recorded the highest mean for post-retirement benefits (4.33). Overall, employees' perceptions of HRM practices differ significantly according to their educational qualification.

One way ANOVA has been used to test the significant difference between Qualification and Human resource management practices in banks in both the Public bank

One-way ANOVA finds the significant difference between Qualification and human resource management practices in banks in both the public bank

H₀₁(a) There is no significant difference between Qualification Public bank and Public bank Comparative of Employee Perceptions on HRM Practices

Table 5 Qualification and Public bank Comparative of Employee Perceptions on HRM Practices

Variables	Qualification	N	Mean	S.D.	F Value	Sig.
1.The bank provides excellent post-retirement benefits, housing, and medical allowances.	Undergraduate	30	3.93	1.71	8.210	0.001*
	Postgraduate	61	2.75	1.15		
	Professional Degree	14	3.07	0.61		
	Total	105	3.13	1.33		
2. Continuous training programs effectively upgrade my job-related skills.	Undergraduate	30	2.60	1.09	1.424	0.245
	Postgraduate	61	2.85	1.78		
	Professional Degree	14	3.31	0.25		
	Total	105	2.86	1.15		
3.Training heavily focuses on customer relationship management and cross-selling.	Undergraduate	30	1.67	1.50	14.354	0.001*
	Postgraduate	61	3.27	1.31		
	Professional Degree	14	2.69	0.45		
	Total	105	2.73	1.56		
4. Working hours and workload allow me to maintain a healthy work-life balance.	Undergraduate	30	1.00	0.00	28.392	0.001*
	Postgraduate	61	2.60	1.21		
	Professional Degree	14	2.81	0.73		
	Total	105	2.15	1.20		
5. The management actively supports reducing employee burnout and workplace stress.	Undergraduate	30	1.40	1.21	14.142	0.001*
	Postgraduate	61	2.40	1.13		
	Professional Degree	14	3.23	0.96		
	Total	105	2.21	1.23		

Source: Computed from Primary Data

The ANOVA results indicate that qualification has a significant influence on four HRM practices, as their significance values are 0.001 ($p < 0.05$). The highest F-value was recorded for customer relationship management and cross-selling training ($F = 14.35$). Work-life balance ($F = 28.32$) and management support for reducing workplace stress ($F = 14.14$) also showed significant differences. However, continuous training programs did not show a significant difference based on qualification ($F = 1.424$, $p = 0.25$). Overall, employees with different qualifications have significantly different perceptions of most HRM practices.

Table 6 Comparative Study - Public and Private Bector Banks Employee Perceptions on HRM Practices

Variables	Type of Bank	N	Mean	S.D	Std. Error
1.The bank provides excellent post-retirement benefits, housing, and medical allowances.	Public	105	3.38	1.52	0.14910
	Private	105	3.09	1.33	0.13018
2. Continuous training programs effectively upgrade my job-related skills.	Public	105	3.10	1.56	0.15247
	Private	105	2.61	1.28	0.12505
	Public	105	3.21	1.67	0.16351

3.Training heavily focuses on customer relationship management and cross-selling.	Private	105	2.66	1.37	0.13374
4. Working hours and workload allow me to maintain a healthy work-life balance.	Public	105	2.67	1.63	0.15927
	Private	105	2.32	1.23	0.12066
5. The management actively supports reducing employee burnout and workplace stress.	Public	105	2.71	1.60	0.15708
	Private	105	2.28	1.23	0.12007

Table 9 compare that employee perceptions of selected HRM practices between public and private sector banks. The public sector bank employees reported higher mean scores than private sector employees across all five statements. The highest mean score for public sector employees was observed for post-retirement benefits (3.38), while the lowest was for work-life balance (2.67). Among private sector employees, the highest mean was also recorded for post-retirement benefits (3.09), while the lowest was for management support in reducing burnout and workplace stress (2.28). Overall, the results indicate differences in employee perceptions of HRM practices between public and private sector banks.

Table 7 Reliability Analysis

Variables	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items
Public bank Comparative of Employee Perceptions on HRM Practices	0.631	0.621
Private bank Comparative of Employee Perceptions on HRM Practices	0.531	0.531

Source: computed from primary data

The reliability of the questionnaire was assessed using Cronbach's Alpha.

The public sector bank employees recorded an alpha value of 0.631, indicating acceptable internal consistency. The private sector bank employees recorded an alpha value of 0.531, indicating lower internal consistency. The overall reliability should be calculated using all 10 items together in SPSS, rather than adding the separate alpha values.

FINDING

The findings reveal that qualification significantly influences employees' perceptions of HRM practices. Significant differences were found in all five HRM practices, with $p = 0.001$ ($p < 0.05$). The highest difference was observed in customer relationship management and cross-selling training ($F = 57.404$). Professional degree employees reported higher perceptions of work-life balance and management support for reducing workplace stress. Overall, educational qualification is associated with significant variations in employees' perceptions of HRM practices.

SUGGESTION

Banks should design HRM practices according to employees' educational qualifications and training needs. Continuous training programmes should be strengthened to improve job-related skills, particularly for employees with lower mean scores. Banks should also provide more effective customer relationship management and cross-selling training, improve work-life balance, and introduce stronger measures to reduce employee burnout and workplace stress. Regular feedback and qualification-wise training programmes can help ensure that HRM practices meet the diverse needs of employees.

CONCLUSION

The article concludes that educational qualification has a significant influence on employees' perceptions of HRM practices in public and private sector banks. Significant differences were observed in all five selected HRM practices. The findings highlight

the need for banks to provide qualification-based training, better work-life balance, and effective employee welfare and stress-management measures. Overall, suitable HRM practices can help address the different needs of employees and improve their workplace experience.

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