

MANAGEMENT OF HUMAN RESOURCES IN THE BANK: ITS EXTENT AND COMPLICATIONS

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ANNOTATION

This article highlights the role and importance of the training and development system in the process of managing employees, how necessary it is to improve the efficiency and competitiveness of banks, to improve employee qualifications and evaluation processes.

Keywords: *personnel management, training and development, distance learning system, personnel evaluation-certification, employee categories.*

INTRODUCTION

It is impossible to evaluate Human Resource Management (HRM) critically without taking into account how it was created. The goal of human resource development (HRD) is to modify a learner's behavior through an organized sequence of learning activities carried out over a predetermined period of time. 1969 (Naddler) HRD is a process that aids people in developing their general skills, utilizing their inner potential for both personal and organizational growth, and improving their functional capabilities for their current and future responsibilities. It helps the workers create an organizational culture that supports a positive interaction between superiors and subordinates, teamwork, motivation, and a sense of belonging.

An introduction to banking services: Banks are the financial organizations that concurrently address the issues of liquidity, safety, and profitability. The development of banking, which took place over many centuries until two distinct forms of modern banking emerged in the late nineteenth century in industrially advanced nations, had a crucial role in the development of capitalism. The financial methods that made it possible for the concurrent economic and territorial growth. The two types of banking are the bank-oriented financial system (Central European), which is defined by universal banking, and the market-oriented financial system (Anglo Saxon), which is distinguished by a division of tasks. Specialized financial institutions, such as banks and financial markets, operate in a market-oriented financial system.

Insufficient induction: During the process of mass hiring, the orientation of new hires to the company's ethos, work culture, and financial methods was not given enough focus.

Delay in acquiring new information and abilities in response to the environment's changing needs: After nationalization, the entire course of banking shifted. Credit was given to hitherto untapped sectors like agriculture, rural development, small-scale enterprises, etc. that required distinct abilities and ideas. Due to insufficient infrastructure, executive training programs could not give new management knowledge and skills in a timely manner.

Customer service issues: During the post-nationalization era, the bulk of the rural and urban poor joined the banking industry. The rural populace was largely uneducated and illiterate. Most of the staff, who came from metropolitan backgrounds, were not mentally equipped to handle them.

Inadequate infrastructure: Unsatisfactory working conditions contributed to some of the employee unhappiness. They were frequently deployed in isolated locations without even the most basic amenities.

Lack of effort to create a new workplace culture: Before the arrival of personnel from other regions of the nation, the organization's culture had been mostly shaped by its residents. In order to create an organizational

culture that is supportive of performance & growth in the altered environment, social attention has to be paid to the cultural & social attitudes that employees from various regions of the nation had toward their job.

Insufficient focus on change management: The direction, functions, and objectives of nationalized banks changed very suddenly, and there was not enough time to implement and manage the change effectively. People weren't mentally or physically focused enough to embrace and execute changes. People needed time to become accustomed to managing change since adaption issues plagued the intermediate period.

Uniqueness of Banking Sector: In banks, recruitment is a major concern. Candidates' ethical and moral convictions are heavily weighted in addition to their academic credentials, professional experience, and subject matter competence. Banks now accept deposits from both the domestic and business markets. Any non-banking company that declares bankruptcy suffers negative effects on its shareholders, clients, creditors, and employees. However, liquidating a bank poses a much greater risk because it would be extremely unfair to the clients who have deposited their hard-earned money in the bank with the utmost good faith. In addition to market risk and credit risk, Basel II has focused on the operation risk faced by banks.

Operation risk is the potential financial loss brought on by an information network, processing, settlement, or legal compliance system failure. Human error, operational processes and procedures, payment and settlement systems, technology, software quality and programming mistake, data integrity and loss of data, etc. are all examples of operational risks. Unauthorized access to data and processing flaws that result in indirect statements or, worse yet, false settlements are connected to data security. It may also be the consequence of fraud, crime, or natural calamities.

The Sub Prime Crisis in the USA was a major contributing cause to the worldwide economic downturn in 2008–2009. Without sufficient financial backing, the NINJA loan was given to increase the USA economy's capacity to create credit. The loan company then produced collateralized debt securities (CDS) using underlying assets that were receivable from subprime borrowers and marketed them to other financial institutions. The entire system broke down when subprime debtors began to miss payments.

Union budget's effect on banks' hiring practices: The greater goal of financial inclusion was added into the Union budget presented by the honorable Finance Minister of India, Mr. Pranab Mukherjee, for the fiscal year 2010–2011. The budget's main conclusion is that the banking industry must adopt a societal marketing approach. In accordance with the budget, the Government and RBI will cooperate to offer suitable banking services to locations with a population greater than 2,000 by March 2012. All commercial banks were simultaneously required by the RBI to open additional branches in tier II and tier III cities. The recruiting approach of the banks, where this policy shift is represented, places more focus on the applicant's hometown during campus interviews. In order to reduce his cost of living, a person would always choose to settle down in his hometown, according to the underlying psychological structure of the human being. Candidates from hometowns in tier II or tier III cities have been seen to receive preferences over others in some instances of university recruiting.

Strong Focus on Ethical Perspective: Almost all banks typically undertake aptitude tests, tests of basic English knowledge, and tests of arithmetic competence as part of their standard hiring procedures. After passing the written test, the chosen candidate must participate in a mini presentation, group discussion, or extempore where his communication skills will be evaluated. The candidate's Intelligence Quotient (IQ) score can be assessed throughout the selection process. Nobody can contest the logic of the process since intellect and sharpness are the fundamental requirements for a successful executive. However, neither will this be sufficient for the selection's

goals nor a guarantee of the applicants' prospective strength. Therefore, it has been determined that the notion behind the entire selection process in banks has to be changed.

A potential manager should also have a suitable degree of intellectual, spiritual, and moral qualities in addition to intelligence (IQ) (MQ).

CONCLUSION

The fact that banks are businesses that make money is undeniable. It is typical for banks to benefit from the difference between the borrowing rate and deposit rate by making a net profit margin. However, while making a profit at the expense of a commitment to the client may be advantageous in the short run, it is certain to bring about disastrous consequences in the long run. The bank must improve its corporate citizenship in order to maintain long-term viability in the current competitive environment. To guarantee openness and proper disclosure, there are many corporate governance rules, including SEBI Clause 49, the Naresh Chandra Committee report, and the Ganguly Committee report. None of these prerequisites alone is adequate to safeguard a bank's interest in its depositors. Executives should be evaluated based on a 360-degree performance review. Banks will be able to offer their clients high-quality service if all these elements are considered. Banks can simultaneously play a significant part in the process of creating credit, which will quicken the country's per capital growth.

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