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REVIEWS ON HUMAN RESOURCE & CAPITAL MANAGEMENT IN INDIA

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ABSTRACT

In today's competitive global economy, companies are placing more emphasis on developing the potential of their people than ever before. In full appreciation of the financial impact of this effort has come the term human capital management. The detailed study on human capital management is measure the performance level of employees of public, private and foreign banks are good and the linkage between human capital management and performance of employees is in progressing way.

Keywords: *Human Resource, Capital, Economy, Revenue, Management*

INTRODUCTION

In today's competitive global economy, companies are placing more emphasis on developing the potential of their people than ever before. In full appreciation of the financial impact of this effort has come the term human capital management. The emphasis on that keeping employee (human capital) happy and working at their full potential enhances the company's performance and bottom-line results. It is sound business practice to nurture these human assets and understand when and why they arenot happy i.e. working at potential or at risk of leaving.

Adam Smith defined four types of fixed capital (which is characterized as that which affords a revenue or profit without circulating or changing masters). The four types were: first-useful machines, instruments of the trade; second- buildings as the means of procuring revenue; third-improvements of land and fourth- human capital. Human capital and the productive power of labor are both dependent on the division of labor– the greatest improvement in the productive powers of labor, and the greater part of the skill, dexterity, and judgment with which it is any where directed, or applied, seem to have been the effects of the division of labor. There is a complex relationship between the division of labor and human capital.

In short, Smith saw human capital as skills, dexterity (physical, intellectual, psychological, etc) and judgment. On a national level, a country's ability to learn from the leader is a function of its stock of "human capital". Furthermore, human capital can be acquired through formal schooling and on-the-job training - what you know can shape your life. A.W. Lewis is said to have begun the field of economic development and consequently the idea of human capital when he wrote in 1954 the "economic development with unlimited supplies of labor." the term 'human capital' was not used due to its negative undertones until it was first discussed by Arthur Cecil pigou: "there is such a thing as investment in human capital as well as investment in material capital. So soon as this is recognized, the distinction between economy in consumption and economy in investment becomes blurred.

For, up to a point, consumption is investment in personal productive capacity. This is especially important in connection with children: to reduce unduly expenditure on their consumption may greatly lower their efficiency after later stages in their life. Even for adults, after we have descended a certain distance along the scale of wealth, so that we are beyond the region of luxuries and "unnecessary" comforts, a check to personal consumption is also a check to investment.

Organizations today compete in a global marketplace. In order to survive they must adapt quickly to an ever changing environment whilst meeting the demands of their increasingly sophisticated consumers and balancing the demands of their shareholders. With technology changing rapidly and new technologies being widely available, the only sustainable competitive advantage of organizations in developed nations is their people. Almost every organization will state that people are our most important asset. They often spend significant amounts of money in training, development and recruitment of their people.

Despite this spend, research indicates that on average, organizations spend up to 8 per cent of their total wages and salaries bill managing human capital issues, many of which could be avoided or turned to bottom-line contribution. With the increasing pressure on organizations to justify their spent money, most organizations struggle to demonstrate or quantify how their investment in people directly impacts the business bottom line and the achievement of strategic goals.

The term human capital has been around for many years. Human capital is variously defined as: a measure of the economic value of an employee's skill set. The concept of human capital recognizes that not all labor is equal and that the quality of employees can be improved by investing in them. The education, experience and abilities of an employee have an economic value for employers and for the economy as a whole.

The term human capital is recognition that people in organizations and businesses are important and essential assets which contribute to development and growth, in a similar way as physical assets such as machines and money. The collective attitudes, skills and abilities of people contribute to organizational performance and productivity. Any expenditure in training, development, health and support is an investment, not just an expense. In this regard scholar attention in the research program proposed for Doctor of Philosophy.

REVIEW OF LITERATURE

Various articles appeared in different journals/magazines on various aspects of human resource management, but they are restrictive in nature and do not give a comprehensive picture. A brief review of some the relevant literature is as under:

Weatherly (2003)[1] described the terminology associated with human capital and its context within an organization and the implications for the human resource professional. Calculating the value of human capital is not easy because human capital is not like other capital. With rare exception, human capital simultaneously represents the single greatest potential asset and the single greatest potential liability that an organization will acquire as it goes about its business.

While there are other intangible assets, human capital is the only intangible assets that can be influenced, but never completely controlled, invested in wisely, or wasted thoughtlessly, and still have tremendous value. These distinguishing features are what make human capital unique, and also what makes it an elusive asset.

Acquaah, Moses (2003)[2] examined the relationships between human resources management (HRM) practices and manufacturing activities. In this study, researcher examined the relationships between human capital availability competitive intensity and their interactive effects on manufacturing priorities ina Sub-Saharan African economy, Ghana.

The study revealed that competitive intensity is an important determinant of the emphasis firms plan to place on manufacturing priorities (low-cost, quality, flexibility, and delivery). However, human capital availability affects the emphasis firms plan to place on low-cost and delivery. Furthermore, competitive intensity moderates the relationship between human capital availability and the emphasis that firms plan to place on the manufacturing priorities of low-cost and quality.

Sandra, Burud and Maric, Tumolo (2004)[3] analyzed the reader upon the growing shape of the information age workforce. Burud and Tumolo classified this new worker as "dual-focus," meaning that the worker is focused on both home and work life instead of only work. In the adaptive culture, processes (compensation/benefits/work-life) must become individualized. It is their belief that if those issues are standardized, they create inequity in the workforce. This inequity in their opinion creates disorder, inefficiency, and a non-optimized workforce.

The researchers believe that in order to combat these issues, the new human capital must be managedby improving employee benefit programs and culture. In creating this new culture, benefits and compensation must be aligned with individual employee needs. Benefits such as elder and child care reduce absenteeism in the workforce. Compensation based on results, and not hours and face time, creates equity. All of this creates less stress on the information age worker, reducing rising healthcare costs. Utmost priority is placed on recruitment and retention to get and keep the "right" people. Higher job satisfaction ensues, decreasing turnover and increasing value to the customer.

Akdere, Mesut (2005)[4] examined more organizations are becoming aware of the importance of social interactions and relationships at work. Consequently, organizations are faced with a challenge to understand this phenomenon and its implications on the workplace. This research reviews the theory of social capital. The research on social capital indicates that as a strategic business partner, there is an immediate need for the scholars and professionals in the field of human resource development toaddress this emerging challenge.

Therefore, a review and critique of social capital theory is necessary to determine the viability and applicability of this theory. The theory of social capital refers to investment in social relations with expected returns in the marketplace. The theory of social capital has emerged as a relevant concept of utility to many researchers across disciplines such as sociology, psychology, economics, political science, management, community development, agriculture, and anthropology.

SIGNIFICANCE

Every item in this world has its significance. If there is no world of that item, it means there is no usage further. Same thing apply with the researcher studies. If it does not give any assistance to anybody then there is no worth of that research. And also it seems the just bundle of papers nothing else. Human Capital management is associated with the performance of the employees in any organization.

The performance of the employees makes profit and good will for the enterprise. The present study provides assistance to new research scholars who want to work but seeks for proper guidance. This study also provides recommendations to banks to improve performance of their employees with thehelp of human capital management.

OBJECTIVE

The following are the specific objectives of the study:

- To make a detailed study on human capital management.
- To measure the performance level of employees of public, private and foreign banks.
- To find out the extent of linkage between human capital management and performance ofemployees progressing simultaneously and optimally.

- To suggest the suitable measures for the improvement in performance in public, private andforeign banks.

METHODOLOGY

There is a very famous quote "If you are confident of doing something, half of the work is done". And confidence comes when you have a proper framework for the particular job. Hence to carry out any work, it is necessary to check out a frame work. Research methodology is the way of systematically solving the research problem. It may be understand as a science how research is done scientifically. In it, we study various steps that are generally adopted during the course of research along with logic behind them.

The purpose of the research is to discover the answers to the questions through the application of scientific procedures. Therefore, this chapter covers the rationale of the study, objectives of the study, research hypotheses, data collection, measurement tools, analysis based on stock prices, analysis based on trading quantity, organization of the study, significance of the study, and limitations of thestudy.

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