CHAPTER – II

OBJECTIVES AND METHODOLOGY

"Winning isn't everything, but wanting to win is."
- Vince Lombardi
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OBJECTIVES AND METHODOLOGY OF THE STUDY

The present study is aimed at examining the status of the human resource development climate in the reputed banks in India i.e. State Bank of India, the premier public sector bank and the Karur Vysya Bank Limited, a leading private sector bank. In this chapter, an attempt is made to present the aim and objectives of the study. Besides, the methodology of the study viz., hypothesis, scope of the study, period of the study, selection of the sample units and respondents, collection of the data and limitations of the study has been explained. In fact, the analysis is divided into three parts i.e. i) analyzing the perceptions of the human resources about HRD climate prevalent in the respective selected organizations and ii) analyzing the attitudes of the human resources towards the same HRD climate and iii) analyzing the employees-customers relations. In addition, this chapter presents a thorough discussion on the current literature on Human Resource Development activities both empirical and conceptual.

i) Aim of the Study:

The study places a great deal of concern on technological advances, entry of new private and foreign banks, greatly increased business, constantly changing views of the Government as well as the management and the increasing urge for 'customer satisfaction and retention' in the Indian banking industry. Hence, the main aim of the study is to inquire into the status of the existing HRD activities in Indian banks
and to identify problems, which impede the growth of HRD climate particularly in the banking industry.

ii) Objectives of the Study:

In this background, the study aims to investigate the HRD climate prevalent in both public and private sector banks in India. Hence, the following are the specific objectives of the present study:

i) to highlight the factors that contribute to the need for effective HRD system in the Indian banking sector;

ii) to present the growth and working of the selected banks of the study;

iii) to discuss the existing HRD activities and service conditions of personnel in the selected banks;

iv) to examine the nature and extent of HRD climate in the Indian banking sector by making a comparative analysis of the perceptions of the employees selected from both the banks;

v) to explore the attitudes of the sample respondents towards HRD climate prevalent in the two selected banks and to conduct a comparative analysis to appraise their level of satisfaction;

vi) to study the views of the employees, the customers expectations about the existing banking services; and

vii) to suggest measures for the improvement of HRD climate in the two selected banks under study.
iii) Methodology of the Study:

(a) Hypothesis of the Study:

The study is based on the hypothesis that "there is no significant difference in the HRD climates of public and private sector banking organizations in India".

The hypothesis has been tested with the help of statistical technique 'One-way ANOVA'. The mean values obtained from the two selected banks for all the three individual dimensions 'General Climate', 'OCTAPACE Culture' and 'HRD Mechanisms' are considered in the test.

(b) Scope of Study:

The field of investigation has been geographically confined to the banks located in the State of Andhra Pradesh in India. Further, the study confined its scope only on the three components of HRD climate, so that all other aspects like manpower planning, recruitment, selection, induction, etc. are excluded from the purview of this study.

(c) Period of Study:

The present research work is an attempt to review the HRD activities in the public sector and private sector banks keeping in view of the recent practices in the industry. Hence, the study covered the period of recent five years i.e. 2002-2007.

(d) Selection of the Sample:

1) Selection of the Sample Organizations: The selection of sample units has been made with care and rationality. Only leading banks in India were
selected because it is expected that good HRD climate exist in the popular banks. Hence, the premier banks in their respective sectors viz., State Bank of India and Karur Vysya Bank Limited were chosen for the study.

2) Selection of the Sample Respondents: The researcher used random sampling technique to administer the questionnaire to collect the information from the sample population of the two banks under study. The sample from the public sector bank was 240 and that of the private sector bank was 160 among the employees who are working continuously during the last five years in the respective organizations.

(e) Collection of the Data:

The study is based on the data both from the primary and secondary sources. A structured questionnaire was designed to collect the primary data on HRD climate prevailing in the two selected banks. The questionnaire was divided into five parts. The first three parts were composed of statements on General Climate (10 statements), OCTAPACE Culture (10 statements) and HRD Mechanisms (20 statements) respectively. The respondents were asked to provide their insights on different statements in the above major dimensions. The fourth section consisted of statements on overall HRD climate (20 statements) which was designed to obtain the opinions of the respondents. The last section devoted on employee-customer relations and the respondents were invited to reveal their awareness on customer issues.

In addition, wherever possible personal interviews were also conducted to collect the data from the senior officials, branch managers,
and senior clerks of the two banks. In fact, trade union members representing officers’ associations and employees’ unions of the two selected banks sanctioned their interviews. Of course, the researcher also relied on active observation method to supplement the questionnaire and interview methods of collecting data. Some more data in respect of HRD activities of the two banks were collected through secondary sources viz. banks’ records, internal circulars and various reports of external agencies.

(f) Limitations of the Study:

The study suffers from the below mentioned limitations:

1. The study is affected by a basic limitation i.e. the employees’ perceptions and attitudes differ on the climate they are placed in and also on their level of psychological understanding, personal background, etc.

2. The study also suffers from another limitation i.e. confined area of investigation (but in diversified environment). In fact, the field of inquiry has been geographically limited to the State of Andhra Pradesh in India. Hence, the sample of the present study is not a true representative of the whole population of the banks under study.

3. The survey did not cover administrative staff in the selected private sector bank. However, both administrative and operational personnel were covered in the public sector bank under study.

(g) Analysis of the Data:

1) Analysis of Perceptions on HRD Climate: Firstly, HRD Climates of the two selected banks were analyzed on the basis of the perceptual
responses recorded by the sample respondents on each dimension viz., General Climate, OCTAPACE Culture and HRD Mechanisms. The responses were quantified with the help of a Five Point Scale. The rating scale is: for ‘Always True/Great Extent/Strongly Agree’ - 5; ‘Mostly True/Some Extent/Agree’ - 4; ‘Sometimes True/Moderate Extent/Cannot Say’ - 3; ‘Rarely True/Little Extent/Disagree’ - 2; and ‘Not at all True/Nil Extent/Strongly Disagree’ - 1. For the purpose of analysis, item-wise mean values, average mean values and percentage scores have been calculated. For analyzing HRD Climate, mean value for each item ranges from ratings 5 to 1 where rating 5 indicates an exceptionally good climate and rating 1 indicates an extremely poor climate on any particular dimension. Values above 3 indicate an average HRD climate giving substantial scope for betterment. While values around 4 indicate a good HRD climate where most of the employees have positive attitude towards HRD policies and activities, values around 2 indicate a poor HRD climate on that particular dimension. A similar interpretation was applied to the average mean values across all items. The mean values were arrived at by ‘weighted average’ method. In order to make the interpretations easier; the mean values were further converted into percentage scores using the Rao formula 1991

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\text{Percentage Score} = (\text{Mean value} - 1) \times 25
\]

This formula was developed on the assumption that a score of one represents 0 per cent, two represents 25 per cent, three
represents 50 per cent, four represents 75 per cent and five represents 100 per cent. The percentage score indicates the degree to which a particular dimension exists in the bank out of the ideal 100. Thus, it is certainly desirable for any enterprise to have a percentage score of above 50 on each item as well as on overall items. Mean values and percentages scores were used to evaluate the HRD climate of the two selected banking institutions. By and large, the present study is based on the assumption that an optimum level of development climate is essential for facilitating overall HRD climate in the banking industry.

2) **Analysis of Attitudes toward HRD Climate:** In a similar fashion the attitudes of the sample respondents on the overall HRD Climate were also examined thoroughly. The fourth part in the questionnaire intended to study the feelings of the banking personnel on the overall HRD Climate. It facilitates 20 statements for this purpose. Here too the same Likert’s Five Point Scale was applied. The rating: for ‘highly satisfied’ is 5; for ‘satisfied’ is 4; for ‘neither satisfied nor dissatisfied’ is 3; for ‘dissatisfied’ is 2; and for ‘highly dissatisfied’ is 1.

3) **Analysis of Employee-Customer Relations:** In fact, this analysis was based on the qualitative data collected from the two selected banking organizations. Coding the descriptive responses obtained started the analysis. Conclusions were drawn on the basis of identifying repetitive themes provided by the respondents.
(h) Survey of Literature:

For the purpose of providing a good insight into the contemporary writings on Human Resource Development, the present study at large arranges the review of existing literature under two broad categories. The first classification is that ‘General Studies’ belonging to any form of industry except banking. The second category is the one containing ‘Specific Studies’ pertaining to the banking sector. Under this broad grouping books, periodicals, articles in newspapers, papers presented in seminars/workshops, articles available over Internet, etc. were examined.

1) General Studies

a) Books:

Achdeva and Arora (1988)¹ in their work on the linkage of employee relations and HRD in Eicher Motors concluded that human resource development helps in organization building by continuously making studies and preparing action plans to make improvements.

Anil Gupta (1988)² in his study in research and development organizations in India opined that human resource development initiates to promote commitment of employees to organizational objectives through fair treatment, information sharing and trust building.

Balu (1997)³ in his study opined that human resource development initiatives should envisage all dimensions of work place, home and society. Further, he stated that Quality efforts should generate a continuous drive for self-actualization of human potential at work place, happiness at home and prosperity of society at large.
Bhatt, Dixit and Mehta (1988) in their study on Behavioral Training in Petrofil revealed that human resource development through training not only maintains shop floor disciplines but also maintains positive industrial relations climate by changing the attitudes of the employees.

Bose & Natarajan (1991) in their study highlighted that human resource development through training can build a firm with the foundation of mutual trust and interdependence which helps in bringing change in organizational culture, conducive for better industrial relations and increased productivity.

Chandrasekhar (1989) in his work opined that human resource development through Organization Development helps in organizational restructuring and changing culture for enhancing organizational effectiveness.

Gangadhara Rao and Surya Rao (1996) in their work commented that a modern manager, to be effective, must balance his concerns for people and work. He must know how to utilize human as well as non-human resources while translating goals into action. Further, the authors felt that modern employees are better educated, possess greater skills, have more sophisticated technology available for their use, and enjoy high standards of living than previous generations.

Gupta (1991) in his study expressed that the human resource development plays the role of a catalyst to manage organizational change. Gupta and Gangotra (1989) in another similar study concluded that by
using various human resource development mechanisms, organizational
effectiveness could be attained.

Jain and Singhal (1997)\textsuperscript{10} in their research study conducted in
BHEL concluded that Organizational Development has significant role in
human resource development climate followed by management policy.
Potential appraisal has also significant contribution in human resource
development climate. However, there exists low positive relationship
between personal history data and human resource development climate.
Qualification has a little negative relation with human resource
development climate. Other variables such as experience pay and
subordinates do have small contribution in human resource development
climate.

Jyothi (1997)\textsuperscript{11} in her study conducted in Bharat Heavy Plate and
Vessels Limited and Hindustan Shipyard Limited found that there is a lack
of teamwork amongst executives of personnel and administration. The
study also revealed that there is a direct relationship between the
incentives and bonus and the human resource development.

Kapse and Arora (1998)\textsuperscript{12} while studying the work culture at Eicher
Motors Limited found that the workers accepted the appraisal and reward
system based on merit despite their determination to make the system
more data-based.

Khanna (1989)\textsuperscript{13} in his survey concludes that human resource
development through group discussion, participation, identification of
individual goal with that of group goal aims to bring changes in attitude of employees which facilitates change in the culture of the organization.

Nair (1988)\textsuperscript{14} and Jain (1991)\textsuperscript{15} have conducted studies on human resource development at Steel Authority of Indian Limited and felt that human resource development plays the role of a catalyst through its integrated sub-systems to manage organizational change. Challenges of technological-transformation can also be achieved with the help of human resource development interventions.

Narasimhan (1989)\textsuperscript{16} conducted a study at Hindustan Aeronautics Limited, Hyderabad and found that human resource development facilitates technology improvement through training and development.

Partha Sarathi and Rao (1988)\textsuperscript{17} in their study on HRD experiences in BHEL concluded that HRD helps in bringing individual and organizational effectiveness through its mechanisms like human resource planning and audit, training and development, performance and potential appraisal, career planning and development, organization development, participation, quality circle and communication.

Pattanayak (2001)\textsuperscript{18} in his work made it clear that human resource development aims to identify competency gaps of employees and train them to perform present roles effectively and create conditions to help employees bridge these gaps through development.

Prasad (1996)\textsuperscript{19} in his study concluded that HRD practices are based on the HRD-OD linkage strategy, which aims to develop the organization in totality. He further observed that OD is being practiced in
the name of HRD. He suggested that to make the OD activity meaningful, the focus should be shifted to the OD processes and technology to make it an integrated game plan for developing the total organization failing which it will merely remain HRD, carrying out conventional training and development of employees.

Puranik (1988)\(^{20}\) in his study noticed that organizations' culture could be altered by facilitating Human Resource Development as a tool, by placing importance upon employee relations, and on inter-departmental communication.

Raghavan (1989)\(^{21}\) made a study at Maruti Udyog and resolved that an integrated Human Resource Development system is really effective in improving organizational effectiveness and achieving employee satisfaction. It further highlights that a well-designed, suitable and unbiased performance appraisal system can go a long way in maintaining the morale and motivation of people at high level.

Rajen Gupta (1989)\(^{22}\) in his work pointed out that Human Resource Development functions often remaining at the corporate office are not percolating down to the field level.

Ramanathan (1998)\(^{23}\) in his work carried out in ONGC felt that the objective of any Human Resource Development system and process is to build a proactive organization and create an 'enabling' environment that seeks not to respond or react to change but to create change and dynamism. According to him, the thrust of Human Resource Development
is, on creating 'people building organization' as opposed to the common saying of 'people using organization'.

Rao (1998)\textsuperscript{24} in his writing presented a model, which explains the linkages between Human Resource Development instruments, processes, outcomes and organizational effectiveness. He felt that HRD managers have a complex role to perform. They should have a high degree of perseverance, be closer to the chief executive and be able to get and communicate the top management's commitment to employees and be given enough time (a minimum of 5 years) to work as HRD manager without being transferred. The author also expressed that the top management should be sensitive to the organizational processes and is able to perceive the incremental changes occurring in the development climate of the organization.

Rao and Abraham (1986)\textsuperscript{25} conducted Human Resource Development survey in fifty-three Indian organizations and analyzed in-depth, the practice of various sub-systems of Human Resource Development in those organizations. They have studied sub-systems like training, performance appraisal, organization development, employee counseling, potential appraisal and reward management and suggested Human Resource Development functions to be developed a lot to ensure effectiveness.
Rayate (1997) in his work revealed the findings of the 'Centre for HRD' which surveyed the HRD practices of 53 public and private sector organizations at Jamshedpur. The trends showed that still 59 per cent of the organizations surveyed had informal HRD policy and in 38 per-cent of the organizations surveyed the HRD function was still entrusted to the personnel department.

Rudrabsavaraj (2000) in his work felt that there was very little sharing of information on Human Resource Development practices and lack of such exchange of views, ideas and information is a serious obstacle to the growth of good Human Resource Development practices.

Satish Munjal (1989) in his work opined that HRD efforts are organization-wide. Everyone in the organization would have to take self-responsibility for growth and optimization of performance.

Schein (1987) in his article argued that human resource planning and development is becoming an increasingly important function in organizations, that this function consists of multiple components and that these components must be managed both by line managers and staff specialists. He further reasoned that an effective human resource planning
and development system is integral to the functioning of the organization and must therefore, be a central concern of line management.

Shah (1991)\textsuperscript{30} and Shirodkar (1988)\textsuperscript{31} study revealed that besides qualitative gains, quantitative results in terms of increasing sales turnover, profit, labor productivity and discipline could also be attained through Human Resource Development. The study also found that Human Resource Development brings healthy organizational climate and cultures which helps in setting individual role and departmental goals.

Sharma (1997)\textsuperscript{32} in his study concluded that a culture of participation is required in any organization to facilitate effective quality circle program. He also felt that the top management of any organization should promote participating culture so that such atmosphere can provide for the successful launching of Quality Circles.

Sudhir Reddy (2002)\textsuperscript{33} in his study identified that majority of the employees in information technology (IT) industry are optimistic in looking for their career growth in their existing companies. He suggested that the IT industry should take appropriate measures for providing incentives to employees for their honest contributions.
Sujata Mangaraj (1999)\textsuperscript{34} in her work on Human Resource Development Practices in Steel Authority of India Limited found that HRD was a system through which the organization's objectives of increasing productivity and better utilization of manpower could be possible. The study further revealed that Human Resource Development is a tool through which workers acquire better skills and knowledge that helps in bringing about attitudinal change there by changing the culture of the organization.

Sundaram (1989)\textsuperscript{35} concluded that full utilization of the potential of the employees could be possible through an integrated Human Resource Development system by using its sub-systems like human resource planning, performance appraisal and training.

Yousuf (1997)\textsuperscript{36} in his work felt that if the activities at work were found routine and boring, the present job was also considered frustrating. Those who were found using their skills and abilities most at work were found enjoying the best possible work life presently.

Wayne Pace (1985)\textsuperscript{37} in his work summarized that Human Resource Development is an exciting and action-packed career field based on theories of organizational communication and concerned with preparing employees to perform their current jobs more effectively, to assume different jobs, and to move into jobs that are as yet undefined.
b) Research Articles:

Alphonsa (2000)\textsuperscript{38} in her study regarding HRD climate existed in a large private hospital in Hyderabad City basically found that the perceptions of supervisors of different departments differed. She suggested that the top management of this hospital should develop a policy to enhance the physical, mental and emotional capabilities of the individuals, in order to create and maintain a productive HRD climate.

Anil Kumar Singh (2003)\textsuperscript{39} in his paper examined the relationship between Human Resource Development practices and the philosophy of management. It was interesting to note that the Human Resource Development practices 'selection and training' and 'training and development' were significantly, but negatively related to the philosophy of management. The author suggested that organizations have to design organizational structures, which are sensitive to human existence. In yet another study Singh (2005)\textsuperscript{40} attempted to observe the managerial philosophy of some of the leading private and public sector organizations in India. This study revealed that while the private sector organizations practice the traditional philosophy of management, modern philosophy is not practiced in any of the organizations surveyed.

Arun Kumar Jain (2001)\textsuperscript{41} in his article revealed that excellent companies tend to take a long term view in acquiring and retaining the right kind of personnel and providing them with adequate training in order to meet growing demands.
Ashit K. Sarkar (2003)\(^{42}\) in his article disclosed that transparency and openness of the reward system, fairness of the appraisal methodology and the help, sensitivity and support from the top management with clearer perception of the aspirations of the managers goes a long way in making the reward philosophy to be a positive motivator in the organization along with other factors.

Ashit K. Sarkar (2004)\(^{43}\) was of the view that training is often given a routine lip service, or the process gets limited mostly to making the summary numbers (e.g. training man days etc.) look impressive. He proposed an important strategy to ensure that after the training, an opportunity to use or practice the acquired skill or knowledge should be available to the individual who received training. The author also opined that the organization's work culture, processes and environment have a great deal of impact, as does the ability, behavior and attitudes of the colleagues and the managers, and even juniors, in shaping any individual's capability.

Bajpai and Gupta (1983)\(^{44}\) have made a study and identified the role of various human resource development sub-systems in ensuring excellence in work through Total Quality Management.

Benarjee and Roja Rani (2004)\(^{45}\) in their study on Quality of Work Life (QWL) in Visakhapatnam Port Trust found that there was influence of QWL on job involvement. The study also made it clear that when there was less menial work, there was high satisfaction regarding all factors of Quality of Work Life. The authors concluded that any effort towards
improving QWL should not be restricted to only organization but extended to improvement of an individual family which would enrich the quality of life of an individual as a whole.

Biswaajeet Pattanayak (2003)\textsuperscript{46} in his research study on public sector organizations in India found that there are significant differences between the executives of the old and new public sector organizations on a number of Organizational Role Stress (ORS) as well as Quality of Work Life (QWL) dimensions.

Chatterjee (2003)\textsuperscript{47} in his paper concluded that the annual appraisal should be held twice a year. Further, while communicating the assessment report, the person should be allowed to speak out freely. In HRD cell, there should be one Personnel Audit Section, whose primary function should be to ensure adherence to the existing policies, updating the policies keeping pace with the time and scrapping the out-dated one.

Ishwar Dayal (1989)\textsuperscript{48} in his study discussed the patterns of HRD management and identified three different HRD approaches as practiced in Indian organizations. These are 'man-Centered', 'Reciprocal', and 'Selective'. Underlying each approach is a set of beliefs shared by top management. Policy formulation and HRD programs in these organizations emanate from these philosophies. The author also analyzed the strengths and weaknesses of each approach. According to him, HRD is a shared belief by management in the development of individuals and involves a strategy of linking organization development with individual
growth. The author also raised some relevant issues concerning the future of HRD in Indian organizations.

Francina (2005)\textsuperscript{49} in her paper felt that organizations are compelled to recruit people only with requisite qualities, professional skills like communication skills, interpersonal skills, etc. for a better projection of the company's image.

Ganganna Nijampure (2003)\textsuperscript{50} in his article suggested that management should involve existing employees in the hiring process. He felt that the employees involved like that could recommend excellent candidates, could assist management to review resumes and qualifications of potential candidates and could help in the process of interviewing candidates to assess their potential "fit" within the company.

Geeta Gupta (2003)\textsuperscript{51} in her article concluded that any organization cannot think of its survival and growth without six human units viz., the individual employee, the role, the dyad, the team, the inter-teams and the organization. They build an organization culture and their development results in efficiency to build an organization.

Goyal (2004)\textsuperscript{52} in his empirical study on HRD strategies being followed by different types of power plants in India, was of the view that in this present age of globalization survival and growth of any organization depends on the proper development of its human resources. He found that the effectiveness of Human Resource Development is excellent at gas based power plant. Thermal power plant is the poor performer among the selected of the study. Gas based power plant and nuclear power plant
have very good track record of designing and implementing Human Resource Development strategies in their organizations.

Harish Kumar (2003)\textsuperscript{53} in his case study viewed that Indian business organizations need to learn the world-class HR practices and benchmark them to operate globally. Going global requires a lot of preparation and foresightedness on the part of the organizations. Fortunately, Indian business organizations are waking up to the said needs. But the best is yet to be achieved.

Harsh V. Trehan and Papori (2003)\textsuperscript{54} in their article concluded that in the fast paced globally competitive business scenario, efforts to heighten productivity and profitability never ends. Strategic human resource plans are required for wiser management of people, thus maintaining productivity, profitability and quality of the firm. To fulfill this responsibility, the human resource function would have to adopt a new role of strategic partners in business.

Madhurendra (2003)\textsuperscript{55} in his broad article concluded that excess population despite its demerits developed through imaginative, bold and determined HRD inputs. The author was of the impression that when HRD acquires a new meaning, a much vaster purpose, with a sharper edge; it would stand 'uplifted' to heights that management pundits have never dreamed of.

Mahesh (1988)\textsuperscript{56} in his paper commented that effective human resources management becomes the key to building excellence in service organizations. Based on his experience with the Taj Group of Hotels,
Mahesh identified eight human resources management factors as crucial for any organization striving for service excellence.

Nayak (2003)\textsuperscript{57} in his study concluded that once all the employees know as to how performance appraisal system has been designed and implemented, how training has been given to the concerned employees and how it would benefit the organization and the employees, they would definitely respond very positively. He further resolved that the performance appraisal system should be very transparent in its true sense.

Omer and Bhide (2003)\textsuperscript{58} had carried out an empirical study in a Textile Company on performance appraisal effectiveness. The post-appraisal effectiveness survey clearly pointed out acceptability of performance appraisal system (PAS) design and its process and indicated greater satisfaction of managers and employees with design and implementation of the program. Further, it was found that the process of PAS effectiveness gives line managers a basis to believe and practice such aspects that create openness within superior-subordinates dyads or groups more concerned with working as result-oriented teams.

Padmakali Mishra and Gopa Bharadwaj (2002)\textsuperscript{59} in their investigative study in a private sector organization revealed that the overall HRD climate in the organization was good. However, significant differences were also observed among three levels of management with respect to different dimensions of HRD climate as well as overall HRD climate. The authors suggested that psychological climate in the organization should be improved and efforts should be initiated to make it
conducive to the development of employees. They also felt the need for restructuring the various personnel policies in the organization.

Pande (2003) in his quite interesting article discussed that the role of H.R. has undergone a paradigm shift. The H.R. practices no more revolves around employees' recruitment, training and welfare. Employees' performance, their training and development, satisfaction and retention play much more important role in the present scenario. Salary is no more the major motivating factor for career. Quality of life and service has assumed priority over money. Employees look for personalized attention in addition to appreciation and rewards for performance. As such, organizations must have a system that strongly differentiates performers and non-performers. The author felt that, every organization should have a performance-management system with clear vision in quantifiable terms and it should be simple and understandable by all employees.

Patel and Iyer (2004) in their study revealed that the general environment about the Human Resource Development practices in the pharmaceutical industry presents a good picture indicating that good amount of importance is given to human resources both at the policy level and practice level. Also, the authors found that employees in their respective organizations felt that they had a good scope of acquiring new skills and self-development.

Pestonjee and Nina Muncherji (1991) in their study observed that today's' executive is constantly subjected to mental tensions, anxiety, depression and frustration. According to them, stress is an essential
accompaniment of executive performance and there is a growing concern for executive health, which is vital for organizational well being. In this article authors described various types of diseases executives are prone to and suggested how HRD interventions can help in promoting the overall health of the executives.

Pooja (2006)\(^6\) conducted a study on HRD climate in engineering and automobile industry found that the private sector organizations and the multinational company are significantly better than the public sector enterprises in facilitating HRD climate. The author suggested that the public sector organizations should focus on various HR policies and practices like encouraging active employee involvement and interaction in the day-to-day functioning of the organization, giving information to the personnel regarding their potentials.

Pranabesh Ray (2004)\(^6\) in his paper contemplated that the main purpose of Human Resource Development is to help create the 'thinking man' who is essential for organizational effectiveness and growth. Further the author felt that Human Resource Development helps employees to self realize their potential.

Rao (1982)\(^6\) in his case study found several trends which indicated that a lot of innovative activities are going on in Indian organizations (both private and public sectors) indicating a modernizing trend in the personnel function. In yet another work, Rao (1987)\(^6\) viewed that Human Resource Development (HRD) should be a continuous and planned process. Neglecting it, because its results are not discernible in the short run, could
weaken the organization. Based on the experiences of several public and private sector enterprises, the author in this article outlined the steps that managers should take to strengthen HRD processes.

Rao, Raju Rao and Taru Yadav (2001) in their study examined the current status of structuring of the HRD function and HRD sub-systems in India against the "Integrated HRD Systems" framework. The paper also commented on the recent approaches to HRD. Data from HRD audits of 12 Indian organizations indicated that HRD function is not well structured; is inadequately differentiated; poorly staffed; and fails to meet the requirements of the framework studied. In the light of these experiences of Indian organizations in implementing the framework, the paper also pointed out the prerequisites for success of other HRD frameworks in India.

Rath (1998) in his article expressed that HR policies are being rewritten to facilitate fast business growth. Liberal compensation packages, flexible work systems, ESOP are being introduced in almost all-modern organizations. Concern for people is high on the agenda for the business leaders. The view and strategies of Human Resources are being given serious considerations. In many organizations, HR has moved to Boardrooms. HR professionals are also being accorded lots of importance in the business processes. Their views and suggestions are being sought for working out business plans and strategies.

Sabita Mahaptra and Mahapatra (2005) were of the view that the HRD has a paramount role to play in making the industry better through
superior quality or service, by being able to sense and satisfy customer requirements faster than competitors. Also, the authors felt that in response to growing global competition it is required to shift the mindset of the personnel for the creation and application of knowledge for the best business results.

Saxena (2006)\textsuperscript{70} in his study conducted in Information Technology companies of India found that the Human Resource Development Climate of the sample organizations does not differ significantly. However, it was found that there are no specific training programs for marketing personnel in the organizations under the study. Hence, it was suggested that the sample organizations have to recognize the marketing personnel's training as a long-term ongoing process if they want their marketing personnel to perform at their full potential.

Sethumadhavan and Srinivas (1999)\textsuperscript{71} in their prolific article on training strategies in Government Departments viewed that the rules and personnel policies of the Government act sometimes as a constraint on HRD. The authors argued that the Traditional Training System (TTS) was inadequate to manage change and therefore adoption of Strategic Training System (STS) is far beneficial to all the three stakeholders, i.e. Government Departments, Employees and Society.

Singh (2003)\textsuperscript{72} while studying the effects of human resource practices on the firm performance found that Indian firms are still not convinced of the fact that investments in human resources can result in
higher performance. He also observed that there is a variation in the usage of human resource practices among firms.

Singh (1989)\textsuperscript{73} in his analysis of 176 senior-level Indian managers identified significant differences in the dimensions of culture among managerial groups categorized by sector (international, public and private), education, and age. Based on their value orientation, Singh classified HRD interventions into three families and recommended the family of HRD interventions most suited to different cultural groups. Singh also argued that top management should examine the managerial culture of the group and the organization before introducing change through HRD interventions.

Srinivas (2005)\textsuperscript{74} conducted a study on HRD practices in software industry. It is found that the Human Resource Development philosophy in this industry considers the human resource development function as strategic to the organization and believes that it is an investment. Training/learning system in the software industry is integrated with a number of systems promoting the skill and knowledge acquisition in employees. Training needs are systematically identified and scheduled in an annual training calendar. A unique system of training in software industry is the concept of ‘e-learning’ where the employees take tutorials online, mostly using Intranet.

Srinivas (2003)\textsuperscript{75} in his article revealed that while the objectives of Human Resource Management are same across the organizations, they differ in their approaches and practices in attaining these objectives.
Shyam Chandra (1998) human resource development is something which cannot be poured in workers within a day or two, and education alone is not sufficient. It requires gradual, planned and continuous efforts on the part of all workers, trade union organizations, management, the government and national agencies–to build a climate of development (both at macro and micro levels), identify and tap the potentials of workers and provide a package of systems and processes through which these can be cultivated and enhanced.

Venkiteswaran and Sai K Prasanna (1997) conducted a study on 132 executives of a large public sector heavy engineering organization located in Karnataka and analyzed the major factors that are conducive to the development of HRD climate. The study concluded that early identification of human resource potential and development of skill are the two major tasks of HRD.

2) Specific Studies

a) Books:

Dey (1997) through his work felt that it is more important to implement the concept at all levels and also monitor the progress for appropriate action including changes in fitment, incentive and role design, etc. Sincere efforts should go into it and must be continued alongside business activities.

Khandelwal A.K. (1988) in his work realized that there was a need for well-integrated Human Resource Development policies in banks. Neelu Rohmetra (1998) in her research study proved that discernible variations
in Human Resource Development climate exist in commercial banks in India. She has proposed a model 'HRD Cycle' which aims at adopting integrated approach to HRD systems in the two banks under the study.

Shah, Saiyadain and Sheth (1984)\textsuperscript{81} viewed that the managers in commercial banks have to translate corporate policies into constructive practice at the grass-root level, in matters of manpower planning, selection and recruitment, training, performance appraisal, and career planning and promotions.

Raman (1988)\textsuperscript{82} has conducted studies and observed that Human Resource Development is a mechanism through which organizations' culture can be changed by giving emphasis on employee relations and inter-departmental communication.

Sidhu (1997)\textsuperscript{83}, in his study carried out in State Bank of Patiala revealed that trade unions fear about the new technology as represented by computers as it would eat away jobs and create problems of dislocations.

Vinayshil Gowtham (1992)\textsuperscript{84} in his study on banking sector found that the training programs were plagued by the usual problems of shortage of instructors and difficulties in substitution of the bank personnel who were away to attend a training program. By and large it was realized that training could be a tool for induction and orientation, performance improvement, broadening staff usefulness, developing leadership, etc.
b) Research Articles:

Abraham S.J. in his paper found that there is a wide gap between the belief of the top management and their practice with regard to human resource development. He also opined training the most used mechanism in human resource development in banks, needs to be evaluated time and again to verify its effectiveness.

Ardichvili and Gasparishvili (2001) conducted a study on Russian Banking Industry in 1998 and found that HRD was a part of 'personnel management' in banking industry and not a function in its own right. The study revealed that there was a stronger emphasis on selection and recruitment than on training and development. Training and development activities had a higher priority than organizational development. It was felt that majority of the participants had a goal of creating internal training centers in the coming future despite they lack instructors with practical experience.

Aruna and Jacob (1992) in their cross cultural study in one of the large public sector banks concluded that the organizations need not be over concerned about the individual’s personal background as it has not shown any specific relationship with the meaning of working. In other words, what individuals come to think of working is influenced more by their work experience than their age or educational background.

Brent Keltner and David Finegold (1996) in their research article on human resource innovations for banks suggested a new employment contract that emphasizes competence-based career ladders for entry level
employees so as to increase their skill levels, modular training for high positions, and higher levels of internal recruitment. The authors were of the view that a relationship management strategy could be a strong source for competitive advantage in attracting high-end retail customers and small and medium-sized business enterprises.

Chalam (2006)\textsuperscript{89} in his research study on HRD practices conducted in State Bank of India found that only the junior management cadre is highly favorable to the system of 'recognition and reward' in the bank. The author suggested the bank to encourage its personnel to set up more number of quality circles and initiate measures to improve off-the-job training facilities. The management was urged to carry out surveys from time to time to comprehend the number of employees who disfavor HRD climate so that the management would learn from the drawbacks of the prevailing system.

Chalam and Srinivas (2005)\textsuperscript{90} in their research study on gender-wise perceptions and attitudes on HRD climate conducted in State Bank of India found that women employees showed much concern on HRD climate despite their subordinated working conditions. Besides, the authors opined that the management of the bank should give equal importance to women at the time of recruitment; as such this section in the today's society is able to perform on par with the men. It was also suggested that frequent employee surveys highlighting the gender issues would certainly help the management to drive the organization most successfully in the light of male and female employees being served equally.
Decshit (1988)\textsuperscript{91} in his study remarked that despite efforts that have been made, both training and Human Resource Development in banks have not yet taken firm roots and the reason for this can be attributed to shorter time perspective in decision making relating to training.

Eugenia Petridou and Niki Glaveli (2003)\textsuperscript{92} in their study on Greek Bank commented that changes in the external environment have reshaped the environment of the Greek banking industry. Responding to that, Greek banks were adopting new strategies towards organizational development and realize that success requires adjustments to their HRD effort. The authors discussed that the bank's focus on 'training' as a reactive learning tool was a short-term solution that helped the bank provide its employees with job-related skills, attitudes and behavior for adjusting to the new challenges of the external environment. Hence, the authors suggested that the training effort undertaken in the bank needs to be systematically supported by other learning interventions, such as mentoring and coaching, guidance and support, learning experiences in the workplace, and so on.

Farooq A. Shah (2003)\textsuperscript{93} in his study conducted in the banking industry in Kashmir revealed that most of the employees experience medium to high level of stress at work. The study further disclosed that employees belonging to the clerical cadre relatively experience more stress on most of the dimensions tested.

Gani and Shah (2001) in their study on organizational climate conducted in the banking industry in Kashmir found that the banking
industry, as a whole, has a poorly perceived organizational climate and that the situation in the private sector banks is worse than that of the public sector ones. Further, as compared to workers, the officers found their organizational climate relatively better.

Ghosh Shiddharatha (1989) in his study expressed that Human Resource Development has been referred to as an inseparable element in the implementation of technology, and generating effective ways to improve quality of life of an individual.

Gupta and Tej Singh Nagar (2005) in their study on bank managers of both foreign and Indian banks revealed that counseling attitude of managers was not significantly correlated with any other sub-systems of Human Resource Development except performance appraisal system.

Gupta and Tej Singh Nagar (2004) studied various counseling attitude dimensions viz. development attitude, listening attitude, diagnostic attitude and positive attitude of bank managers in Punjab National Bank. All the three levels of managers (lower, middle and higher) believe in positive attitude towards any problem concerning their subordinates.

Habil Slade O Ogalo (2004) in his article viewed that the use of technology would hardly serve the purpose, if banks were not serious to synchronize professional excellence with ethical values. The author concluded that the development of human resources was found significant since customers were found more sensitive to the impolite behavior of bankers.
Haig R. Nalbantian and Anne Szostak (2004) in their study on Fleet Boston Financial Bank disclosed that employees were more concerned with their career progress over time than they were with current rewards. It was also found that employees' mere participation in incentive programs had a more substantial impact on retention than did the actual size of the rewards.

Kamath, Kohli, Shenoy, Ranjana Kumar, Nayak and Kuppuswamy (2003) in their paper on challenges and opportunities faced by the Indian banking sector felt that banks should focus on developing skills in areas like risk management, technology, marketing, etc. They could outsource training functions totally thereby saving on costs. Training could also be delivered on-line instead of the current emphasis on lecture-based inputs.

Khandelwal (2005) in his article opined that in tune with the managerial autonomy package recently announced by the government the HR function in banks has to extricate itself from the mode in which it found itself over the last four to five decades. The author has resolved that as the market has changed, the customer too has changed, customer expectations have taken new forms, and people policies also have to change, as it is the people who will be the key differentiators in the new era.

Khandelwal (1978), while commenting on training as one of the mechanism of Human Resource Development felt that training is no panacea for organizational ills but objectively conceived and sincerely
imparted training can certainly equip an individual to prove worthy of the expectations.

Khandelwal (1988)\textsuperscript{102} in his paper 'Organization Development in Banks, suggested that planned change in the culture, technology and management of total organization can help banks to manage growth problems. He also advocates the use of OD to improve problem-solving capabilities.

Kulwant Singh (1997)\textsuperscript{103} in his survey opined that the absence of Human Resource Development in cooperative banks is attributable to the fact that in spite of its growing popularity, no worthwhile attempt has so far been made to develop the concept, in a manner that suits the needs of the organization.

Kusum W. Ketkar, Athanasios G. Noulas and Man Mohan Agarwal (2004)\textsuperscript{104} in their study found that the efficiency levels fell in all state-controlled banks but most of the nationalized banks maintained their efficiency levels. The foreign banks appear to be the most efficient group and surprisingly domestic private banks to be the most inefficient ones. The authors concluded that the Indian domestic banks need to greatly improve their efficiency through introduction of computer technology, improved management skills and through consolidation and merger of banks.

Leeladhar (2005)\textsuperscript{105} remarked that every successful talent management strategy would have to be the right mix of a set of 'push' – motivation, recognition, career progression, capacity building – and 'pull' –
more tangible factors like higher pay, better benefits and heftier perks – factors. He was of the view that misalignment of mutual expectations, person-job mismatch, perception of poor career advancement prospects and work-life imbalance can be huge setbacks.

Leeladhar (2005)\textsuperscript{106} commented that technology implementation comes with its attendant requirement of addressing the issue of Human Relations in a computerized environment especially from the point of view of Human Resources Development.

Lippitt and Leonard (1979)\textsuperscript{107} in their paper opined out that there are three major roles to be performed by training and development departments in modern organizations. They are the role instructor, administrator and contributor to organizational problem solving.

Mosharraf Hossain (2000)\textsuperscript{108} in his comparative study of public and private sector bank employees on job satisfaction discovered that bank employees in Bangladesh perceived their job as highly stressful irrespective of their rank and status in the organization. The respondents were highly dissatisfied with their salary, lack of fair promotional opportunity, low job status and absence of recognition for good work.

Narasimhan (1999)\textsuperscript{109} in his analysis observed that banks have a responsibility to push computerized branches to perform to their full potential for which the Human Resource Development is very crucial. He also opined in another study that the coming decade is going to be crucial for public sector banks as they should not only set their houses in order
but also recapture the magic of growth and profitability and earn the loyalty of their customers by serving them better.

Natarajan and Deepashri (2000)\textsuperscript{110} in their study conducted in Burn Standard Company Limited, Salem revealed that irrespective of age, sex, experience, educational background, income and category employees had almost the same level of satisfaction towards the prevailing Human Resource Development climate of the company.

Panduranga Rao (1999)\textsuperscript{111} in his survey observed that the effective managers believe in the Human Resource Development philosophy and they practice Human Resource Development activities. They honestly implement HRD systems like conducting regular staff meetings, job rotation, etc., and believe in synergy and promote team spirit among employees. He suggests that the top leadership and the Human Resource Development department together need to evolve certain strategies, systems and practices for creating an environment of providing certain additional benefits as well as incentives for managers who bear additional burden and risks.

Pande and Sonal S Chandak (1997)\textsuperscript{112} in their rigorous study covering three public sector banks revealed that, despite their high education levels and training most respondents prefer remaining in the clerical cadre, pointing to the need for the management to follow a more realistic human resources policy.

Prasannasai (1993)\textsuperscript{113} while highlighting the status of Human Resource Development in modern day organizations very aptly remarked
that HRD had come to occupy the proactive function of Human Resource Management and also believed that HRD should be for the organization as a whole, and not merely for some few levels or personnel.

Prashanth Mishra, Upinder Dhar and Santosh Dhar (1999)\textsuperscript{114} in their research study in Pharmaceutical and Banking industry on job satisfaction found that there is a positive correlation between job satisfaction and Human Resource Development Climate. The authors found that there is a growing need for organizations to inculcate a healthy HRD climate to improve organizational effectiveness by fostering enhanced employee satisfaction and involvement.

Rao (2002)\textsuperscript{115} in his paper on voluntary retirement scheme in State Bank of India noticed that the stayed back employees of this bank were demoralized because they were not in VRS mela. They perceived that their work was over-loaded and, therefore, had to exert more. Further, they now found drudgery in their banking job because it was so routine and monotonous. Hence, management would find it difficult to boost up morale of such employees, motivate them and gear up the organization to face the challenges from private banks.

Rao and Rath (1992)\textsuperscript{116} in their study felt that the success of a Human Resource Development instrument or system depends upon how effectively one implement its 'process'.

Riyaz Rainaye (2005)\textsuperscript{117} in his study on quality of work life conducted in State Bank of India and Jammu and Kashmir Bank employees expressed that their jobs pose excessive work demands, which
raise their on-the-job stress levels to the hilt. Further, it was found that the employees in the selected banks felt disgruntled for not being awarded on the basis of ability and performance, for not advancing toward their career goals and for not being involved in decisions that directly affect their jobs.

Selvam (2005)\textsuperscript{118} in his article while discussing the issues involved in mergers and acquisitions of banks in India he opined that the staff of merging banks have to be trained, that too in the shortest possible time and there will be enormous pressure on the training system and the new management. This process would involve enormous cost and strain to the staff.

Shailendra Singh (2000)\textsuperscript{119} conducted a study on 340 bank managers belonging to both public and private sector banks. The author found that the bank managers lacked authority in three areas; recruitment of their subordinates; transfers from one area to another and transfer from one branch to another. They had varying degree of authority in recommending for training and promotion, writing appraisal, taking disciplinary action and taking extra work.

Shams-Ur Rahman (1990)\textsuperscript{120} in his paper opined that Quality Circle programs can be planned and implemented in any organization which has satisfactory human relations and where the workforce can be prepared through training to think, discuss and communicate their ideas and where the management is anxious to improve the productivity and bring in cost-effectiveness.
Shanmuga (1997)\textsuperscript{121} in his study exposed that there was no significant relationship between training and performance of banks. Tej Singh Nagar (2003)\textsuperscript{122} in his investigation on leadership styles of Indian and Foreign Banks commented that leadership styles are used to assess the human resource development styles of line managers.

Sudhindra Bhat (2005) in his article felt that the skill level, attitude and knowledge of the personnel play an important role in determining the competitiveness of a bank. He indicated banks that human capital was not replicable. The author also felt that more than operational skills today's banking call for 'soft skills' to attend the needs of the customers at the counter.

Suriyamurthi (2006)\textsuperscript{123} in his article on human resource management in banks suggested some key aspects to be followed by banks. In that the author advised banks to identify and post personnel to policy-making department. Interestingly, banks were asked to identify image-building qualities in their personnel.

Upinder Dhar (2004)\textsuperscript{124} in his paper on career planning expressed that it is one of the mechanisms of human resource development that needs special attention of the decision maker irrespective of the nature of the organization.

Vidya A. Salokhe (2002)\textsuperscript{125} in her study discovered that performance appraisal and career planning and development is rather more effective among the officer staff, followed by subordinate staff and the clerical staff. In other aspects of Human Resource Development
practices survey and also Human Resource Development climate survey there is a variation amongst the banks and also their employees.

Vijaya, Paramashivaiah and Aravind (2004)\textsuperscript{126} in their empirical study conducted in State Bank of Hyderabad concluded that the performance appraisal system is better constructed and implemented for officers' level than those of the clerical level employees. The authors suggested a system of assessment of superiors by their subordinates, which is likely to be more reliable than assessment of subordinates by their immediate superiors.

Vimala (2006)\textsuperscript{127} in her paper opined that a sophisticated, strong, scientifically planned and executed HRD system is required for acquisition of new skills and capabilities, an expanded knowledge base, reorientation in attitudes, work culture and enhanced commitment from the Indian banking personnel for effective management of marketing of banking services.

Virmani (1991)\textsuperscript{128} in his paper expressed that the Human Resource Development strategy has to be linked to the investment policies, fiscal policies, monetary policies and even wage and price policies.

In his study Pushpangathan (2002)\textsuperscript{129} found that customers of both public sector banks and private sector banks were dissatisfied with the behavior of bank staff in their dealings with customers. He further stated that the functioning of the customer service committees constituted in all branches of the bank studied was not up to the mark.
Problem Identification:

The broad review of the literature on various dimensions of HRD gives an impression that there were many gaps in this direction. It can be observed that the maximum number of studies referred in the foregoing sections was bound to explain more or less the sub-systems or methods of Human Resource Development. Very few studies aimed at investigating the overall HRD climate in banking organizations. Moreover, till today there is no study conducted in the banking industry that included the study of customer-relations along with the study of perceptions and attitudes on HRD climate. In fact, there are no comparative studies also of this kind.

Furthermore, it is also reasonable to indicate that no attempt has been made to review HRD climate in old generation banks taking into account new competition and challenges due to the arrival of new generation private sector banks and foreign banks. Therefore, the present study is an important one, which aims to fill the above said gaps.

Hence, the present study compares the perceptions and attitudes of the human resources on HRD climate in the leading banks in India drawn from both public and private sectors. Since, customer satisfaction and retention is the basic prerequisite for the success of any banking institution, the study also directed towards examining the opinions of the human resources on some of the customer related issues.

The researcher believes that the research towards this end greatly helps the banking institutions in India to make their Human Resource Development activities more result oriented.
(ix) Plan of the Study

This empirical study is presented in six chapters. In the first chapter the researcher has made an attempt to define the problem under study and thereafter identified various trends augmenting the need for HRD in the Indian banking industry. Besides, this chapter attempts to familiarize the role of human resources in the banking industry, gives an overview of theoretical framework of HRD and identifies the need of HRD in the banking industry.

The second chapter has been devoted to explain the research methodology adopted in the present study. It takes into account the main aim and objectives of the study, hypothesis, scope and period of the study, selection of the sample organizations and respondents and analyses of the study. Besides, the chapter covers the thorough survey of existing literature both empirical and non-empirical.

The third chapter describes the profiles of the selected banking organizations. It deals with the aspects like evolution of the banks under study, their visions, missions and values, organizational structures, financial resources, branch network, staff strength, trade unions, technological issues, alliances, recognition and awards, etc.

The fourth chapter accommodates information pertaining to contemporary and practical aspects of human resource development in Indian banks. For instance, a thorough discussion was held about HRD activities commonly prevalent in the Indian banking industry. Besides, an attempt was also made to examine the structure and functions of the
Personnel and HRD departments of the two banks. Also, some of the HRD techniques being followed by the two selected banks were examined. Importantly, the service conditions of the officers and clerks were described at length.

The fifth chapter initially discusses about the perspectives on HRD climate and the factors contributing to the same. However, it mainly deals with the analysis and interpretations of the data obtained in respect of the perceptions and the attitudes of the respondents toward HRD climate. Ultimately, this chapter deals with the testing of the formulated hypothesis.

The sixth chapter contains the analysis on the customer relations with regard to the managerial personnel and clerical cadre employees of both the selected banks.

Finally, in the seventh chapter a brief summary of the study is given. Besides, this chapter discusses about the conclusions drawn based on the findings of the study. It also accommodates the suggestions offered by the researcher for facilitating sound HRD climate in the banking organizations under study.


123 Suryamurthi, S., "HRM in Banks", HRD Times, Vol. 8, No. 6, p.25.


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