CHAPTER I

INTRODUCTION

The importance of HR, HRM, HRD, Significance of the study, Objectives of the study and Hypotheses of the study are presented in this chapter.

1.1 AN OVERVIEW

The competitive business environment of the 21st century is highly global, customer centric, talent dependent, information based, fast paced, continually changing, technology driven, forging new partnerships and alliances, increasing organisational vulnerability, unstoppable capital flow, continuous learning and open to everyone. Against this backdrop, business organisations have to grapple with acquisition, support, development and retention of human resources, increasing productivity and quality service and build appropriate culture, leadership, innovation, accountability, commitment and readiness of human resources. Thus, organisations in these days face various risks and challenges.

Banking industry has undergone a sea change since the times of the British dynasty where profit was the ultimate objective. It then moved on to the socialist era of seventies and eighties where serving the commonest of the common man in the remotest corners of India was the sole objective. During this period, the nationalized banks operated with a view to give access to as many people as possible through organized banking services. Bank policies were directed towards the social objectives of employment generation and employee welfare and the Human Resource Development (HRD) performed merely an administrative and regulatory role.

In the last few years, the prime mover for banks is profit, with clear indications from the government – ‘perform or perish’. This change is a result of the banking reforms advocated by the Narsimham Committee followed by the economic reforms under the guise of liberalization and privatization of banks by reduction in state ownership.

The Indian banking system has undergone a host of transformations since independence. Liberalisation, Privatisation and Globalisation (LPG) and Information Technology (IT) have transformed the Indian banking radically. The metamorphosis in the Indian banking is taking place significantly in the areas of ownership, structure,
system, process, market place, delivery channel, products, technology, etc. If there is one single lesson to be learnt from the entire process of transformation the world over, it is the “Human Resources” which are the real strength of an organisation, gives the competitive advantage in managing the transformation. Being a service industry, the success of banking depends upon its human resource. Far from being considered one of the factors of production i.e., labour, the employee has earned a proud place as a ‘Resource’ in this knowledge era.

The rapid changes in national and international economic scenario have brought in a metamorphic change in the Indian banking system. The banking in our country is no longer the same as it used to be a couple of years ago, nor is it expected to remain the same a couple of years after. The manifestation of change in the system is large and vivid in all its forms; be it structural, attitudinal or qualitative. This transformation in our banking system has been possible mainly because of the following factors:

- Liberalized monetary, economic, and banking policies.
- Level playing field for both public and private sector banks.
- High level of mechanization and increased use of Information Technology.
- Downsizing the workforce through Voluntary Retirement Scheme (VRS).
- Reducing Government stake and more equity participation by the public.
- Stringent prudential norms and transparent accounting practices.
- Increased customer expectations following acute competition among banks.

The breath-taking competition among the banks has now become a “quest for survival”. Earlier banking was virtually a monopoly of the public sector banks with full protection from the state. However, the process of reforms in the Indian banking system has paved the way for more liberal and free market forces. Now the banks, more particularly the public sector, feel the real heat of the competition. The reductions in interest rate, dwindling margins and more number of players to serve as reduced number of bankable clients have all added to the woes of the banks. The customer has finally come to hold the center-stage and all the banking products are tailor-made to suit his tastes and preferences. This spurt in the banking environment in the country has bereaved the banks of all their comforts and many of them grapple with the change. The
complexities of the situation call for a thorough re-engineering of all the resources available with the banks including their “Human Resources”.

Banking is an organisation basically of the people, by the people and for the people. Hence, the need and importance of human element in a bank can hardly be ignored. A thorough re-orientation in the attitude of the workforce is the need of the hour to respond to the challenges lying ahead of them. Man Power Management is undoubtedly the most decisive rather the most sensitive and the critical areas of management are to be handled with utmost care and diligence. It is always the people who are the victims of any change in policies, guidelines or methods. Their attitude, behaviour, commitment, and interpersonal relationship are changed either for the better or for the worst with every change that comes in their way. The changed banking environment has posed serious challenges before the bank managements. They have to fall in line with the global standards adopted by the new private and foreign banks in order to remain competitive in the market. The “Human Resource Development” (HRD) Departments have to play a more proactive role in shaping the workforce to face the challenges.

Change is inevitable. With the fast change in the global economic scenario, the banking system cannot remain unaffected. However, the change in the Indian Banking System has been a bit too fast. There have been some cross currents flowing to resist the change. Though, such resistances are mercurial. Eventually, the Human Resource Development departments in the banks have come in to play a far greater role in transforming the mind-set and attitude of the banking people by taking the change in their stride. It is, therefore, rightly said: “You cannot change the direction of the wind, but you can certainly adjust the sail”.

1.2 HUMAN RESOURCES (HR)

Management is concerned with the accomplishment of organisational objectives by utilizing its physical and financial resources through the efforts of human resources. The term ‘Human Resources’ is quite popular in India with the institution of ‘Ministry of Human Resource Development in the Union Cabinet’. According to Leon C. Meggionson’, the term ‘human resources’ can be thought of as, “the total knowledge, skills, creative abilities, talents, and aptitudes of an organisation’s workforce, as well as the value, attitudes and beliefs of the individuals involved”.
A nation with abundant physical resources will not benefit itself unless it makes use of its human resources. In fact the human resources are solely responsible for making use of the physical and natural resources and for the transformation of traditional economies into modern and industrial economies. In essence, “the difference in the level of economic development of the countries is largely a reflection of the differences in quality of their human resources. The key element in this proposition is that the values, attitudes, general orientation and quality of the people of a country determine its economic development”. The shift from manufacturing to service supported by the galloping technological change now makes human resources a key ingredient to the nation’s well-being and growth. Moreover, in a service-oriented industry like Banking, the quality, quantity, and utilization of human resources have become all the more important.

In the present scenario of globalization and liberalization of the economy, there is an urgent necessity for efficient management of the human resources, more specifically in the banking industry. This has gained significance in view of the industry’s persistent endeavour to achieve efficient control over the administration and exercise good corporate governance. The success of any bank largely depends on the efficient human resource management, apart from its operations, marketing, and sales. The HR department manages all the efficient people working in operations and marketing divisions in any organisation.

1.3 THE CONCEPT OF HUMAN RESOURCE MANAGEMENT (HRM)

Human Resource Management (HRM) may be defined as a set of policies, practices, and programmes designed to maximize both personal and organisational goals. It is a process of binding people and organisations together so that the objectives of each are achieved. HRM is a general term used to describe a variety of functions aimed at effectively managing an organisation’s employees or human resources. HRM is the comprehensive set of managerial activities and tasks concerned with developing and maintaining a qualified workforce in the ways that contribute to organisational effectiveness. It assists organisations to meet their strategic goals by attracting and retaining the qualified employees, and managing them effectively while ensuring the organisation’s compliance with its corporate social responsibility.

Human Resource Management is a strategic process and involves attracting, developing, and maintaining a talented and energetic workforce to support the
organisation’s mission, objectives and strategies. Due to an increased complexity in global business, rapidly changing, and highly competitive environment, an effective human resource management has become a vital strategic concern for the organisations of today. The HR function plays an increasingly important role in an organisation’s ultimate success or failure. In the new economy, raw materials and capital can be brought from anywhere at any time. But organisational success depends on skills, creativity, and ideas.

1.4 HUMAN RESOURCE DEVELOPMENT (HRD)

Although development of human beings has been in existence in one form or the other since the dawn of civilization, a planned and systematic approach to Human Resource Development (HRD) began mainly in the 20th century. HRD means an organized learning experience aimed at matching the organisational need for human resources with the individual need for career growth and development. It involves a series of learning activities designed to produce behavioural changes in human beings in such a way that they acquire a desired level of competence for present and future roles. HRD is not a set of techniques but a process of helping people to acquire necessary competencies. It is based on the belief that everybody has a potential, a valuable asset that can be developed in an appropriate environment and support.

According to Prof. T.V. Rao, a well-known author on HRD, “HRD is a process in which the employees of an organisation are continually helped in a planned way:

(a) acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles.

(b) develop their general capabilities so that they may be able to discover their own inner potentialities and exploit them to fulfill for their own and organizational development purposes, and

(c) to develop an organisational culture where superior-subordinate relationships, teamwork and collaboration among different sub-units are strong, and contribute to organizational wealth (or professional well-being) and motivation and pride of the employees”.

HRD is an organized learning experience, conducted in a definite time period, to increase the possibility of improving job performance and growth. HRD can be modelled as:
Human Resource Development is concerned with **Building of**

- Competence
- Commitment and Motivation
- Culture

**Fig. 1.1: Model of HRD** (Deb, 2006)

Thus, HRD is the integrated use of training, organisational development, and career development efforts to improve individual, group and organisational effectiveness.

**1.5 INTERLINKAGE OF HRM AND HRD**

Human Resource Development is a part of Human Resource Management. Interlinkage of HRM and HRD is depicted below:

**Fig.1.2: Interlinkage of HRM and HRD**
1.6 HRD PRACTICES / MECHANISMS / SUB-SYSTEMS

The various practices or mechanisms used in HRD are summarized below:

1. Performance Appraisal System (PAS).
2. Potential Appraisal and Promotion.
3. Training and Development.
4. Career Planning and Development.
5. Job Rotation.
7. Organisation Development (OD).
8. Other HRD Practices:
   (a) Quality of Work Life (QWL).
   (b) Total Quality Management (TQM).
   (c) Competency Mapping.
   (d) Human Resource Information System (HRIS).
   (e) Employee Participation in Management.
   (f) Communication and counselling.
   (g) Industrial Relations.

1.7 HRD IN INDIAN BANKING SYSTEM

Banking is a service industry which delivers its services across the counter to the ultimate customer. The activities of banking industry are all about ‘relationship’. Hence, Human Resources (HR) assume a very important role in banking industry for providing better services to the customer with a smile in order to cultivate and maintain long lasting relationship with their customers. Notwithstanding the level of technology, banking being a labour intensive service sector, can sustain its effectiveness and committed service only by giving importance to Human Resource Management/ Development; technology is only an aid to human effort and not a substitution there of. If technology is the equalizer, then the human capital shall be the differential in future.

The HR is the most important element for the progress of banking in India. Though technology can replace manual intervention, the thinking process is the exclusive preserve of human beings. With changing times and technology, banks would require employees with special skills in the areas of risk management, treasury, product development, customer relationship management and IT services. The technology can improve speed and quality of performance, but at the same time, it can also unleash the
risk factor. It is a recognized fact that human resources occupy a unique and sensitive position in banking sector; no meaningful change is possible without the involvement of their employees. Therefore, banks have come to terms with the significant changes to adapt themselves to new competitive environment. The adoption is now in organizing and preparing its human resources to the requirement of competitive banking.

1.8 NEED FOR HRD IN BANKS

HRD as a concept demands a specific and congenial climate to take root. It enriches the work life in banks and aims to link productivity with a sense of personal fulfilment. HRD involves all management decisions and practices that direct, affect or influence the Human Resources in the banks. In recent years, increased attention comes from the realization that the bank employees enable the banks to achieve its goals and the management and development of these resources is critical to a bank’s success.

HRD is useful to both bank and its employees:

- It enables a bank to build managerial resources of quality and leadership.
- It inculcates an effective culture of teamwork.
- It creates value systems, which are conducive to growth.
- It motivates employees to provide prompt and innovative services to customers.
- It creates a sense of belonging among the staff.
- It will help a bank to develop and utilize the potential of workforce so as to achieve its goals.
- It will help to develop and maintain the quality of work life in the bank/branch.
- It will improve the behavioural patterns of the staff and their commitment to the bank.

HRD can offer the following benefits to employees:

- To sharpen existing skills.
- To acquire new skills.
- To discover and exploit their potential.
- To improve overall personality and career prospects.
- To perform existing and future roles effectively.
- To provide job satisfaction and self-actualization.

Thus, HRD helps to make a bank and its staff more effective and strong.
1.9 SIGNIFICANCE OF THE STUDY

The banking industry at present is under a transition period owing to the enunciation of the policy of economic liberalization by the Government of India. In the wake of liberalization, the banking industry is thrown open to the benefit of all sectors of the economy. HRD is a growing concept. It has tremendous relevance to a service sector like banking. Human input is the single largest input that goes into the banking industry. The level of efficiency/productivity of this input is reflected in the quality of service offered by banks to their customers and also in their ultimate growth, productivity, and profitability. Hence, the banks today emphasize on HRD.

Human Resource is considered to be very crucial in the organisation’s well being. Presently banks have started realizing that Human Resources are the most important of all their assets based on the emerging values of humanization. Development is considered to be the soul of HRM function, which reflects on the bank’s effectiveness. HRD in a growing economy like India is the need of the hour and undoubtedly, banking sector is the most effective instrument for India’s economic development; hence developing human resources for this sector has become essential to achieve the national objectives. In spite of the rapid technological advancements, human resource remains the backbone of the organisational structure of Indian banks, which undertake the crucial responsibility of transforming their operational system into a modern one.

The environmental threats will harm the protective zone of Indian commercial banks. As such, Indian banking industry should strengthen itself with the required resources to face the environmental challenges and threats. Imperatively, the commercial banks have to formulate stable strategies but not growth strategies. This will help to formulate growth strategies later. Thus, HRM and HRD practices have to play a vital role in the stability and growth strategies of Commercial Banks. Since there is a dearth of studies in this area for recognizing the pivotal position of Indian banks in developing the nation’s socio-economic structure, it is found necessary to empirically test the extent of HRD practices in the Banking Industry. At this juncture, it would be more appropriate to attempt a comparative study of the present position of HRD practices in Public and New Private Sector Banks in terms of practice, climate, outcomes, and organisational effectiveness.
1.10 STATEMENT OF THE PROBLEM

Banking is now a part of the larger financial service industry. The number of players in the market and the range of services and facilities offered keep increasing, thereby driving the competition to greater intensity. The economic environment has posed new challenges as well as opportunities to the banks in India. To survive in an intensively competitive market, banks must measure up to in terms of efficiency—both market related and internal. In addition, one crucial factor that makes a big difference in competitive efficiency of any bank is the Human Resource factor.

HRD acquires a special meaning in the banking industry due to a host of factors. Banking is a labour-intensive industry. As such, the quality of banking services and the objectives in achieving the socio-economic goals are highly dependent on the employees who deliver the services. In addition, client development involves total involvement of the employees in the process of rendering service. Thus, the task of HRD will irresistibly be the central and to swerve from it is to destroy the fabric of banking itself.

Despite the fact that Commercial Banks are one of the biggest employers in the country and have been working as public sector undertakings since 1969, studies dealing with the Human Resources Development in Commercial Banks in India are scanty. Nevertheless, there are a few studies, dealing with the various aspects of Human Resource Management/Development in banks.

The careful examination of the studies conducted by Abraham, Anil K Khandelwal, Uday Pareek, T.V. Rao, T.P Raman, Amitabh Kodwani et al, Patel M K, Charumathi B, Rani Geetha Priyadarshini etc., on HRD in various dimensions of banks reveals that these studies are confined only to individual aspects, limiting to a particular bank and to a particular aspect of HRD and thus limiting its scope. Further, almost the entire review is based on the personal experience and perceptions of the bank executives rather than systematic findings of an empirical study. This has called for a comprehensive and integrated outlook based on an empirical study on HRD in Banks. Eventually, the present study assumes a greater relevance and set to establish its credibility.

The research problem centers around going into examining the effect of major HRD practices on the total HRD climate, outcomes and organisational effectiveness in the banking sector. The research problem is fragmented into specifics and presented in the following sections as objectives.
1.11 OBJECTIVES OF THE STUDY

The following are the objectives of the present research study:

1. To examine the HRD practices implemented in the Banks so as to understand their basic HRD philosophy.
2. To evaluate how far the HRD practices are performed in select Public and New Private Sector Banks.
3. To analyze the problems and difficulties in implementing HRD practices and to offer suggestions for effective implementation.
4. To study the comparative HRD climate between select Public and New Private Sector Banks.
5. To study the impact of HRD practices on HRD climate, HRD outcomes and organisational effectiveness in select Public and New Private Sector Banks.
6. To analyze the comparative performance of HRD practices in select Public and New Private Sector Banks.

1.12 RESEARCH HYPOTHESES

The following research hypotheses are framed and evolved for this study:

1. There is no significant difference between select Public and New Private Sector banks in the implementation of HRD practices.
2. There is no significant difference in HRD climate between select Public and New Private Sector Banks.
3. There is no significant difference between Public and New Private Sector Banks in relationship among the factors of HRD Practices and HRD Climate.
4. There is no significant difference in relationship among the factors of HRD Practices, Climate, and HRD Outcomes in Public and New Private Sector Banks.
5. There is no significant difference between Public and New Private Sector Banks in relationship among the factors of HRD Practices, Climate, Outcomes, and Organizational Effectiveness.
1.13 METHODOLOGY

The methodology of the study is based on the primary as well as secondary data. The study depends mainly on the primary data collected through a well-framed and structured questionnaire to elicit the well-considered opinions of the respondents. The Multi-Stage Random Sampling is adopted to obtain the responses from the managers of both Public and New Private Sector Banks.

1.13.1 PILOT STUDY

A pilot study has been conducted by approaching all the existing Public Sector Banks (PSBs) and New Private Sector Banks (NPSBs) in Chennai City. The result of this consequence has narrowed down the number of PSBs and NPSBs into 8 and 5 respectively based on their favourable responses. A pilot study has been conducted with a sample of 50 questionnaires covering 8 PSBs and 5 NPSBs. The statements included in the questionnaire are subjected to test of reliability using Cronbach’s Alpha Criterion. The value obtained is 0.968, which shows that the instrument is highly reliable. In the light of the experience gained, the questionnaire is modified suitably to elicit the response from the sample group.

Table 1.1 Cronbach’s Alpha Co-efficient

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Research Instruments and their Components</th>
<th>Reliability Coefficient</th>
<th>No. of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>HRD Needs</td>
<td>0.871</td>
<td>13</td>
</tr>
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<td>2</td>
<td>Objectives of HRD practices</td>
<td>0.929</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>Performance Appraisal System</td>
<td>0.918</td>
<td>13</td>
</tr>
<tr>
<td>4</td>
<td>Career Planning and Development</td>
<td>0.872</td>
<td>7</td>
</tr>
<tr>
<td>5</td>
<td>Training and Development</td>
<td>0.923</td>
<td>14</td>
</tr>
<tr>
<td>6</td>
<td>Job Rotation</td>
<td>0.700</td>
<td>8</td>
</tr>
<tr>
<td>7</td>
<td>Employee Welfare and Reward System</td>
<td>0.882</td>
<td>12</td>
</tr>
<tr>
<td>8</td>
<td>Other HRD Practices</td>
<td>0.851</td>
<td>7</td>
</tr>
<tr>
<td>9</td>
<td>HRD Climate</td>
<td>0.959</td>
<td>21</td>
</tr>
<tr>
<td>10</td>
<td>HRD Outcomes</td>
<td>0.951</td>
<td>14</td>
</tr>
<tr>
<td>11</td>
<td>Problems and Difficulties in implementing HRD Practices</td>
<td>0.880</td>
<td>12</td>
</tr>
<tr>
<td>12</td>
<td>Suggestions for effective implementation of HRD Practices</td>
<td>0.825</td>
<td>11</td>
</tr>
<tr>
<td>13</td>
<td>Organisational Effectiveness</td>
<td>0.880</td>
<td>12</td>
</tr>
</tbody>
</table>
The above-mentioned values imply that the statements considered for the above mentioned variables are highly reliable.

1.13.2 STUDY AREA

The study is confined to a few selected Public and New Private Sector Banks and for this purpose the following 8 Public Sector Banks and 5 New Private Sector Banks are considered as the sample domain:

Table 1.2 Sample Domains

<table>
<thead>
<tr>
<th>S.No</th>
<th>Public Sector Banks</th>
<th>No. of Branches in Chennai City *</th>
<th>S.No.</th>
<th>New Private Sector Banks</th>
<th>No. of Branches in Chennai City *</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bank of India</td>
<td>32</td>
<td>1</td>
<td>Centurion Bank of Punjab</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>Canara Bank</td>
<td>59</td>
<td>2</td>
<td>HDFC Bank</td>
<td>28</td>
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<td>3</td>
<td>Indian Bank</td>
<td>103</td>
<td>3</td>
<td>ICICI Bank</td>
<td>28</td>
</tr>
<tr>
<td>4</td>
<td>Indian Overseas Bank</td>
<td>69</td>
<td>4</td>
<td>Indus Ind Bank</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>Punjab National Bank</td>
<td>32</td>
<td>5</td>
<td>Axis Bank</td>
<td>16</td>
</tr>
<tr>
<td>6</td>
<td>State Bank of India</td>
<td>83</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Syndicate Bank</td>
<td>31</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Vijaya Bank</td>
<td>24</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Source: Websites of the Banks selected for the study

Note: (1) Centurian Bank of Punjab merged with HDFC Bank on 23-05-2008
(2)Axis Bank Ltd. (formerly UTI Bank)

Out of the 20 PSBs and 8 NPSBs operating in Chennai City, 8 PSBs and 5 NPSBs are selected at random for the study. The researcher has obtained the responses from 25 percent of the branch offices of select banks rationally. These branches have been selected in Chennai City comprising of 10 Zones. (Refer Annexure 1.1) (www.chennaecorporation.com).

1.13.3 SAMPLING SIZE AND DESIGN

The researcher has taken 8 PSBs and 5 NPSBs located in Chennai City. Multi-Stage Random Sampling Method is used in the study to select the sample. A total of 980 questionnaires have been distributed and out of which 433 from PSBs and 172 from
NPSBs are received. After the scrutiny of these questionnaires, 33 questionnaires from PSBs and 22 questionnaires from NPSBs are rejected on account of incomplete responses. Finally, 400 and 150 completed questionnaires with a total of 550 from PSBs and NPSBs respectively are used for the present study. The researcher has identified the common domains of HRD practices for the comparative study. So the same questionnaire is used for both PSBs and NPSBs. The responses collected from the sample group in PSBs are as follows:

- Scale I: Assistant Manager - Junior Management Grade
- Scale II: Deputy Manager/Manager - Middle Management Grade
- Scale III: Senior Manager - Middle Management Grade
- Scale IV: Chief Manager - Senior Management Grade

Opinions are elicited from both Public Sector and New Private Sector Banks as mentioned earlier. The researcher furnishes the relative positions of the managers of the said banks in terms of their status, hierarchy, authority, and responsibility. Therefore, the researcher is justified in equating the managerial cadre of both Public and New Private Sector Banks and the opinions elicited are in consonance with their positions in the respective organisation.

<table>
<thead>
<tr>
<th>S. No</th>
<th>Public Sector Banks (PSBs)</th>
<th>New Private Sector Banks (NPSBs)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Centurion Bank of Punjab Ltd</td>
</tr>
<tr>
<td>1</td>
<td>Scale I Assistant Manager</td>
<td>Assistant Manager/ Junior Manager Level I</td>
</tr>
<tr>
<td>2</td>
<td>Scale II Deputy Manager/ Manager</td>
<td>Deputy Manager Level II</td>
</tr>
<tr>
<td>3</td>
<td>Scale III Senior Manager</td>
<td>Manager Level III</td>
</tr>
<tr>
<td>4</td>
<td>Scale IV Chief Manager</td>
<td>Senior Manager (cluster Head) Level IV</td>
</tr>
</tbody>
</table>

* Source: Websites of the Banks selected for the study
1.13.4 QUESTIONNAIRE DESIGN

A questionnaire with 6 sections is developed and finalized to examine the personal profiles, HRD theory and practice, HRD practices/mechanisms, problems and difficulties in implementation of HRD practices and suggestions for effective implementation, HRD climate, HRD outcomes, and organizational effectiveness.

1.13.5 SCALING TECHNIQUE IN THE QUESTIONNAIRE

The questionnaire of the research consists of both optional type and statements in Likert’s 5-point scale. The first section deals with the personal and organisational profile of the employees in both PSBs and NPSBs. The remaining sections deal with HRD theory and practice, HRD practices, problems and difficulties in implementing HRD practices, suggestions for effective implementation of HRD practices, HRD climate, HRD outcomes, and organisational effectiveness. The responses of these sections are obtained from the employees in the 5- point scale, which ranges as follows:

5 - Strongly Agree; 4 – Agree; 3 – Neutral; 2 – Disagree; 1 - Strongly Disagree

1.13.6 ANALYSIS OF DATA

The primary data collected from the managers of both PSBs and NPSBs are analyzed by using the SPSS package, and the following statistical tools are used to obtain a torrent of results concerning the objectives of the study:

1. Factor analysis by principal component method is used to identify the factors of HRD needs and objectives, HRD practices, HRD climate, HRD outcomes and organisational effectiveness.

2. One sample t-test and paired Z-test are applied to identify the nature of responses of employees about the HRD sub-systems/practices and significant differences among the various factors of HRD.

3. K-Means cluster analysis is exploited to classify the employees of PSBs and NPSBs based on the factors of HRD.

4. Discriminant analysis is brought to bear upon the problem of identifying the importance of groups of factors.

5. The application of one-way Analysis of Variance (ANOVA) is ascertained for establishing the significant relationship between various HRD practices and their
consequences with respect to the organisational and personal variables of employees.

6. Karlpearson’s co-efficient of correlation is brought into the context to explore the parametric relationship among the various factors of HRD practices and consequences.

1.14 LIMITATIONS OF THE STUDY

The following are the limitations of the study:

1. The study is based on the perceptions of the Managers (Scale I to Scale IV) only. The clerical cadre is not considered because this cadre does not exist in New Private Sector Banks. For a comparative study, equal cadre is necessary.

2. The study is limited to only New Private Sector Banks. Old Private Sector Banks (OPSBs) are not considered because HRD practices in both PSBs and OPSBs are more or less the same.

3. The study covers only branches located in Chennai City. Due to time constraint and the cost, the study is restricted only to Chennai City.

4. The study focuses on only major HRD practices, which are common in both PSBs and NPSBs. The researcher does not consider other minor HRD practices for the purpose of comparative study.

5. The responses given by the respondents are based on the set-up existing in their respective banks.

1.15 CHAPTER ARRANGEMENTS

The thesis is arranged in six chapters.

Chapter I – Introduction deals with the concept of Human Resources, HRM, HRD, statement of the problem, significance of the study, objectives of the study, research hypotheses, methodology, statistical tools used and it also highlights the limitations of the study and chapter arrangement.

Chapter II – HRD Practices in Banks – An Overview presents the nature, concept and definitions of HRD, Development of HRD in India, importance of HRD in organisations, the need for HRD, objectives/goals of HRD, key problems in the areas of HRD, HRD in
Banks, importance of HRD in Banking, HRD practices in Banks and their related review of literature.

Chapter III – HRD Practices in Public Sector Banks (PSBs) – An Analysis provides in detail an analysis of HRD practices in PSBs and their impact on HRD climate, HRD outcomes, and organisational effectiveness.

Chapter IV – HRD Practices in New Private Sector Banks (NPSBs) – An Analysis deals with analysis of HRD practices in NPSBs and their impact on HRD climate, HRD outcomes, and organisational effectiveness.

Chapter V – HRD Practices in PSBs and NPSBs – A Comparative Study elaborates the comparative analysis of HRD practices in PSBs and NPSBs.

Chapter VI – Summary of Findings, Suggestions and Conclusion sums up the findings of the study, offers suggestions, indicates scope for further research, and arrives at the conclusion of the study.

REFERENCES


