CHAPTER - II
REVIEW OF LITERATURE

This chapter deals with the overall review of the literature available on the particular topic. Literature is the most important part of any research. In this topic, the review is taken from the books and research papers regarding the research topic. The chapter is divided into two different parts i.e. review of books, review of research papers and review of other unpublished material.

Introduction

Twenty-first century HR is emerging to uniquely combine activities and processes of human resource management (HRM), human resource development (HRD), and organizational development (OD), three fields that “grew up” distinct from each other. Contributing strategically to organizations demands that HRM, HRD and OD coordinate, partner and think innovatively about how they relate and how they do impacts people and organizations. The primary apprehension of the bank should be to bring in proper integration of human resource management strategies with the business strategies. It should faster cohesive team work and create commitment to improve the efficiency of its human capital. More than operational skills today are banking call for these ‘soft skills’ to attend the needs and requirement of the customers at the counter. Banks have to understand that the capital and technology-considered to be the most important pillars of banking are replicable, but not human capital, which needs to be viewed as a valuable resource for the achievement of competitive advantage. The long-term vision for India's banking system is to transform itself from being a domestic one to the global level may sound far-fetched at present. To take up this industry to the heights of international excellence requires combination of new technologies, better processes of
credit and risk appraisal, treasury management, product diversification, internal control, external regulations and human resources at the most. The main challenges faced by Banks in our country are the role played by financial instrumentation in different phases of business cycle, the emerging compulsions of the new prudential norms and benchmarking the Indian financial system against international standards and best practices. There is a need for introduction of new technology, skill building and intellectual capital formation. The most important need in this service industry is naturally the HRD.

During the early phase of banking development in India after independence, opportunities for employment of the educated man-power were relatively limited. This sector was the preferred employer for the educated persons in the country in addition to civil services. In recent years, this position has changed dramatically. Certain rigidities have also developed in HRD within the banking system as this system is public sector. Its hierarchical structure gives preference to seniority over performance, and it is not the best environment for attracting the best talent from among the young. How well Challenges are met will mainly depend on the extent to which the bank’s leverage their primary assets i.e., HR in the context of the changing economic & business environment. It is expected that the Indian banking and finance system will be globally competitive. For this the market players will have to be financially strong and operationally efficient. Capital would be a key factor in building a successful institution. The banking and finance system will improve competitiveness through a process of consolidation, either through mergers and acquisitions through strategic alliances. Indian Banking system has played a crucial role in the socio-economic development of the country. The system is expected to continue to be sensitive to the growth and development needs of all the segments of the society. Besides practicing HR in different units it is also a mammoth task for the banks to face the central and outer challenges. In different way
the HR department sales, finance and manufacture the strategic over time to achieve its ultimate objectives. Monitoring as well as changing the strategy also permits the business to cope up with the current demand.

**Review of Books**

D.V. Ramana Murthy has discussed in this study on “Human Factor in Banks,” the significance of human factor and trade unions in the banks. S.R. Varde in his study on “Manpower Planning” at the level of an Indian commercial bank dealt with the aspects like basic structure of manpower planning, linkage of manpower plan to other plans, interrelationship of various manpower functions, objectives of manpower planning in Indian commercial banks, anatomy of manpower plans and techniques of manpower planning. N.R. Seth discussed growth, functioning and progress of trade unions in Indian banks. P. Subba Rao, have discussed the role of counselling, performance counselling and action planning in his study on “Bank Branch Manager as a Counsellor.” T.V. Rao, in his study on “The HRD Machinery” explained HRD instruments, processes and outcomes, HRD Departments and their tasks, structuring the HRD function, qualities, and competence requirement of HRD managers, developing HRD managers, traps and temptations of HRD mangers and HRD instruments”. Balader R. Sharma in his study on “Human Resource Management in Banking Industry” studied managerial beliefs, work technology and organizational climate. P. Amsa in his study ‘Organization culture base for effective HRM in Banks” studied HRD related areas in brief in addition to various issues related to human resource management.

T.P. Raman in his study on “HRD in State Bank of India” explained the practice of HRD and various techniques of HRD in State Bank of India. His study is mostly based on his work experience in the bank rather than a study. R. K. Agarwal. In his study on “HRD” in State Bank of Patiala” explained the objective and structure of HRD department, HRD climate and
various techniques of HRD in the Bank. This study also suffers from the same limitations of the T.P. Raman’s study.

The recent emphasis on human resource management, e.g. Storey (1992), Torrington and Tan Chee Haut (1994), suggests that not only is the management of labour being given more attention, but that the issues discussed are broader and more strategic as well as tactical (see also Wilkinson & Marchington, 1994). Miller (borrowing from Porter (1995) defines strategic human resource management as those decisions and actions which concern the management of employees at all levels in the business and which are related to the implementation of strategies directed towards creating and sustaining competitive advantage. (1987, p.352) . Thus, unlike the traditional peripheral function of many personnel managers, the newer style of human resource managers attempts to: ‘relate personnel practices to beliefs, to link each and every process of the recruitment, induction, training, appraisal rewarding of individuals to an overall set of articulated beliefs of organization’ (Hunt, 1984, p.16) Krishna and Rao (1997) carried out a comprehensive empirical study Organisational and HRD Climate in BHEL: An Empirical Study, and found that HRD climate in the organisation encouraged middle and senior managers to experiment with new methods and try out creative ideas.

Kaur mentioned that the Voluntary Retirement Scheme (VRS) was visualized to assists Banks in their efforts to optimize the use of human resource and to achieve a balanced age and skill profile in tune with their Business Strategies. 18 Public Sector Banks offered voluntary retirement scheme employing 7,35,977 employees out of which around 14 percent opted for voluntary retirement scheme, although after severe opposition from employees. At the same time, Banks started recruiting specialists in various fields such as treasury management, credit, risk management, information technology, and Human Resource Management in order to meet the global standards. Banks also developed centralized personnel database
containing skill profile, age profile, training profile, which were essential for effective and optimum Human Resource Management.

The Pillai Committee Report in 1978 suggested seven scales in four grades. Mankidy in the study discussed about the intake of employees at the officer level with Public Sector Banks followed a closed system for promotion. There were mainly two ports of entry into the profession: at the clerical level, the Banking Service Recruitment Board filled 75-100 per cent of the vacancies via screening; and at the Junior Management level, 20-25 per cent of vacancies was filled via outside recruitment. 1980's witnessed a phase of consolidation, where Government initiated several measures to improve Human Resource Management in the Banking Industry.

Sharma and Pooja Purang (2000) in their study Value Institutionalization and HRD Climate: A Case Study of a Navratna public sector organisation, found a positive relationship between value institutionalization and HRD climate in a large public sector organisation, meaning thereby that a better and more ethical environment of the organization shall lead to a better HRD climate for the organisation.

Dr. Bimal Jalan (2004), Ex-Governor, Reserve Bank of India stated that "a major challenge for many banks will be to develop the special competencies and skills for credit appraisal and risk management in an environment of deregulation and openness".

K.V. Krishnamurthy (2004), said that "New ways of banking requires new competencies. The existing skills are hopelessly outdated. Basic skills like posting ledgers, balancing studys, writing statements etc. are redundant with introduction of technology. We need now to unlearn old habits and breed new ones".

Dr Sharad Kumar (2004), Faculty and General Manager, Bankers Training College, RBI, stated that "In most of the banks, there is no scientific method of selection of trainees. Adhocism in selection of trainees
is widely prevalent. Banks have hardly built databases to capture the training needs of employees and rarely use any IT-based decision support system to select right type of trainees. Traditionally, training has been a neglected function in banks. After implementing VRS, many banks have even closed down their training institutions to meet the day to day need of line functions.

According to Mohan Deshmukh, (2004) "a system for objective measurement of individual performance is not established. Hence, the performance evaluation of each individual on objective basis is not possible. Linkages of performance and rewards/incentives are not established.

Anil, K. Khandelwal (2005), observed; "though the system of employee appraisal has been in vogue in banks, it has not helped in developing an organization wide performance culture in PSBs. The system often fails to differentiate performers from non-performers, average performers from high performers. Reforming the performance appraisal system by making it more objective and linked to corporate business objectives is the need of the hour. Key performance indicators need to be scientifically assessed and objectively linked with organizational goals so that the performance of the employees can be assessed on critical parameters".

Prof. Swain, B.K. (2004), Institute of Business (AT&T) said; "any organization to be successful, there should be recognition of key performers and motivation through job enrichment. Rewards like promotions should be based only on performance and merit. Rigidity in the system of rewards prevails in the banks and promotions have no linkages with performance".

K.V. Krishnamurthy (2004) highlighted the deficiencies in compensation policies as follows. " ..... .In the process, we are paying same compensation to the performers and non-performers, the talented and the menials, often unable or unwilling to make the distinction, creating a disastrous situation where those with talent look for exit options like VRS."
According to Mohan Deshmukh (2004) "linkages of performance with rewards/punishments are not established. Productivity norms are not worked out on some rational and generally acceptable basis". J&nmejoy

Patnaik(2004) opined that "compensation in most of the banks now follow low wages high employment model. The emerging model of banking would lead to some of the major paradigm shifts in core values ....man power planning, recruitment, training and development, talent retention, succession planning, performance compensation, reward and punishment mechanisms are to be reviewed/institutionalized."

Anil, K. Khandelwal (2005) argues; "PSBs need to develop such compensation standards, which can provide a linkage between risk and reward, performance and payment. Though the current system of industry level wage settlement provides lesser leeway, slowly and surely the compensation system would have to be repositioned to take care of specific organizational needs".

A.K. Purwar (2004), Chairman, State bank of India stressed on customer focus. "Greater customer centric focus calls for greater employee involvement and motivation and change in mindset. Long used to working in a protected environment, staff in public sector banks are widely perceived to have low motivation and low involvement, and the lack of distinction between high performers and poor performers with no reward and punishment system has only added to the lethargy. Banks need to build a service culture using technology in a customer friendly manner. This requires reorienting HRD strategies in banks on an urgent basis and banks need to emphasize right size, right skills and right attitude".

Other challenges in HRM are:-

• Over manning

• Low man power productivity

• Employee unions
Raghavan, R. S. (2004), Senior Manager, Vijaya Bank stated that though VRS has been implemented successfully by the banks but it resulted in certain imbalance and shortage in staff necessitating redeployment”.

According to Krishnamurthy, K.Y. (2004), "The entire gamut of public sector rules like reservations in recruitments, promotions and unionization have left us with lots of "Humans" but not adequate 'Resources'."

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According to G.S. Bhaskara Rao (2004), Management Specialist, Central Bank of India "HRM practices and policies in Indian banks have been evolved primarily through reactive processes, and were the matters of bilateral agreements between the managements and the representative Unions. The post-nationalization period had witnessed a phenomenal growth in the number of trade unions, encouraged by the management's continued patronage by way of leaving all matters relating to HR to the prudence of unions. Till the advent of financial sector reforms the concept of "human" as an "asset" was not assigned much importance and the role of HRM was mainly focused towards maintenance of personnel, and thus was not attuned to the emerging business priorities".

Miles Human Relation model was based on the assumption that all organizational members are „reservoirs of untapped resources‟, and the prime task of a manager is to create an environment in which all the resources of his Department could be exploited to the maximum. The Human Relations Model rightfully argued for participative leadership and
emphasized to make employees feel useful and important to get them involved in the decision-making processes.

Ouchi in his work suggested that the success of the Japanese Organizations in comparison with the contemporary American Organizations was largely due to the adoption of Human Resource policies, which encouraged commitment and participation among employees and resulted towards innovative and flexible organizations, which finally led to the better performance.

Dyer stated that, “the acid test is whether there are identifiable combinations of environmental settings and particular types of Human Resource system, which consistently yield better results than their alternatives”. Dyer gave a model that concentrated on the outcomes of Human Resource Strategies and gave hypothetical linkages between the Human Resource business fit and various outcomes.

Walton tried to explain Human Resource Management as an approach in which people are treated, jobs are designed, and organizations are managed. Human Resource Management Departments should achieve two main advantages, when attention was paid particularly to the managerial competencies. Firstly, it boosted the status of the Human Resource Departments and secondly, it acted as an important influence on the level of integration between Human Resource Management and organization strategy.

Dowling and Deery discussed that an increase in the „strategic" nature of Human Resource Management activities categorically lead to the following improvements:

- Evidences of senior executives discussing Human Resource matters in committees;
- Involvement of line managers in Human Resource matters; and
Human Resource Management functions received more recognition and prestige.

Golden and Ramanujam proposed the evolution of linkages between strategic business planning and Human Resource Management:

- Administrative Linkage - Human Resource units performed studywork processing role;
- One-way Linkage - Human Resource Functions were only implemented;
- Two-way Linkage - involved reciprocal relationship in which the Human Resource functions helped in implementing strategic business plans and provided inputs for strategy formulation; and
- Integrative Linkage - this stage allowed involvement with other functional areas of business while developing strategic business plans that is the issues outside Human Resource area.

Schuler and Jackson highlighted that Human Resource Practices could contribute to competitive advantage and results into lowering cost and enhancing product differentiation. In addition, to achieve competitive advantage, Human Resource Practices must be designed and implemented keeping a long-term focus and must ensure how an organization would utilize its human capital to attain organizational goals. Schuler and Jackson developed a model for each employee role behaviour and Human Resource policies required for them. The summary of the model framed is as:

- Innovation strategy required employee's behaviour to be creative, long term focused, highly cooperative, concerned for quality, quantity, risk taking, high tolerance, and unpredictability. The Human Resource policies for this kind of employee behaviour would include jobs with close interaction, allowing employees to develop their skills and performance appraisal to reflect long-term and group based performances;
Quality enhancement strategy required relatively repetitive and predictable behaviour with high level of commitment towards organizational goals. The Human Resource policies for this kind of employee behaviour would require relatively fixed and explicit job description and high level of employee participation;

Cost reduction strategy required employee behaviour with moderated concern for quality and high concern for quantity. The Human Resource policies for this kind of employee behaviour required relatively fixed, narrowly designed job, and short-term results oriented performance appraisal.

Marginson et al., criticized Human Resource Management as a gatekeeper function, which only acted as a separator of trade union from management. Human Resource Departments simply function in order to control employee's operations. Whereas, instead of becoming a gatekeeper it must become gap filler between the two. The nature of Human Resource Management during this period was discussed as non-strategic, reactive, and as a short-term function.

Baird and Meshoulam figured that the execution of effective Human Resource Practices and the design of a Human Resource System must be compatible within the organizational strategy for the successful implementation. The interdependence of Business Strategy and Human Resources Strategy was highlighted as "vertical integration" (integration between the Business Strategy and Human Resource Strategy) and "horizontal integration" (integration within the various Human Resource Practices). In general vertical fit, viewed as a critical step towards attaining the organizational goals by initiating some Human Resource activities that needed to be aligned with organizations objectives. While horizontal fit was considered as an essential when making use of various resources.
McCrae and Costa gave an Italian Human Resource Management Model which emphasized the push towards the adoption of new tools and more sophisticated management techniques to integrate Human Resource Department with the core business activities. A marked attention was paid towards the characteristics such as processes of internal communication, planning, decision-making, bargaining and the management of organizational power.

Poole noted the potential of „Harvard Model”, which consisted of six basic components: situational factors; stakeholder’s interests; Human Resource policy choices; Human Resource outcomes; long-term consequences; and feedback loop. Harvard Model took into account different sets of philosophies and assumptions that may be operating. The industrialized nations of western world had developed trait approach to Human Resource Management, which often contradicted in many aspects. It seemed that in practice, a single universal concept does not exist.

Miller highlighted aspects of Human Resource Management, which included: assessing environmental threats and opportunities; deciding the scope of the organizations activities; creating and communicating a strategic vision; strategy as a senior management activity directed towards organizational objectives; and managing the process of change in an organization.

Snell and Dean agreed that „Human Resource Practices were the primary means by which firms invested in their employees”. Human Resource Management has moved its concern from domestic focus to multi-national focus, more escalating concern for issues like ecological, health care, and illiteracy. They also demonstrated that Human Resource Practices to be employee centric and need to be business centric as well.
Linkage between Human Resource Practices and Strategy was studied by Wright and McMahan who stated that the main aim of strategic nature of Human Resource Management was to link Human Resource Management with Strategic Management processes of an organization and to emphasize coordination among the various Human Resource Practices.

Schuler discussed the challenges for Human Resource Management practitioners in a „personnel management" type of an organization to achieve programmes, which complement and support the Business Strategies. He also explained Strategic Human Resource Management as an essential planned programme that would address and solve fundamental strategic issues related to the management of Human Resource in an organization. Further, the successful adoption of Strategic Human Resource Management required support from the senior management and consistent coordination for setting standard policies.

Developing Human Resource Practices such as resourcing, employee development, reward system, and employee relationship so that they get complemented with one another. These practices were named as „bundles" of Human Resource Practices. Integration of Human Resource Practices with strategic business planning depended heavily on the value, strategy, and support of top executives along with active role of union representatives and line managers. These aspects were discussed by Researchers like Kochan and Dyer; Walker; and Cusworth and Franks.

Ropo in a research on Singaporean companies suggested two aspects. Firstly, Human Resource professionals must learn to cope with the favorable or adverse circumstances existing in an organization that means, they must be able to manage stress and keep the integration process continuous after it has been started. Secondly, sometimes Human Resource managers lack the necessary skills to perform their duties for a particular function then competent line managers and executives must take over those functions
from Human Resource professionals and need to pursue organizational goals along with the tuning of the enterprise culture and market economy.

Wright et. al., confirmed that organizations required different competencies and to meet this need they need, to match individual's competencies with the requirements of the job from the talent pool. Wright and his co-authors viewed human resource in an organization as the pool of capital. They concluded that linking Human Resource Strategies and policies with business objectives helped to achieve high level of organizational performance. They also suggested that human resource to be involved not just during implementation but also, at the time of formulation of strategies.

Hollinshead and Leat suggested features of Japanese Human Resource System and they distinguished Japanese Organizations from other nations. The elements were referred as pillars, as they strongly bonded culture within organization and increased individual's commitment to corporate values such as:

- Lifetime employment- employees in the core labour force were assumed to stay with the same company for their working lives and a strong emphasis was placed on internal labour markets;
- Seniority based wage system- incremental pay according to time served by employees in an organization;
- Consensus decision-making- decisions to be taken through participation instead of unilateral management decisions; and
- Enterprise unionism- management and union representatives need to have collaborative relationship.

Pickard suggested ethical issues to be taken care by Human Resource practitioners. Human Resource practitioners must communicate ethical policies by holding training sessions for their employees, to help employees to be aware about ethical issues. Human Resource practitioners needed to set example through professional conduct, fairness, equal treatment, and
Pickard also suggested that Human Resource professionals must contribute in the formulation of company strategies, which further required to be integrated with mission and values of an organization.

Legge argued with the help of studies made by him that there had been irregular implementation of practices designed to achieve flexibility, quality, and commitment that was due to various challenges inherited by an organization like constraints of recession, enhanced competition and many other. He also noted that Human Resource policies were tailored to match the business values with the changing business environment.

Huselid used the term „High-Performance Work Practices” and suggested that these practices helped to increase motivation and enhanced retention of quality employees. In order to achieve high-performance work practices, emphasis was made to improve the knowledge, skills, and abilities of organizations current and potential employees. Huselid study also, suggested that these high-performance work practices at the same time encouraged non-performers to leave the organization.

Boxall stated on the basis of judgement of commentators, from both academicians and practitioners that Human Resource Management"s position with respect to being strategic was considered to be lower in the viewpoint of senior management. Boxall also mentioned about the distinction between Business Strategy and Competitive Strategy, suggesting that „Business Strategy" means dealing with desired competitive position in a particular business and attaining goals existing external to the organization whereas, „Competitive Strategy" means dealing with critical internal resources such as organizational structure, human resource, technology and capital. Boxall mentioned that Business Strategy could be interpreted as broader than a Competitive Strategy. He further pointed out that there might be no consistent relationship between any particular Strategy and Human
Resource Management. It does not matter how we conceptualized the strategies and potential of employees, these would undoubtedly affect the achievement of any planned strategy. Therefore, it would be sensible to take account of these in developing strategic direction.

Malhotra (1997) tried to give some idea about factors determining customer satisfaction, the level of customer satisfaction and some marketing strategies in both private and public sector banks in India. They have found six factors of customer satisfaction in public sector banks, viz., routine operations, price, situational, environmental, technology, and interactive. But in private sector banks, there exists seven factors in total, having staff factor as the first ranked and situational factor as the lowest ranked items. As compared to public sector, private sector bank customers’ level of satisfaction is comparatively more. Proper training and development of bank staff, regular market survey, personalizing the service, efforts to avoid long queues in bank, and attractive environment in public sector bank. The uniqueness of HR requires a totally different type of attention from management. The HR function has the characteristics that provide the greatest challenges as well as opportunities.

Gelade and Ivery (2003) examined relationships between human resource management (HRM), work climate, and organizational performance in the branch network of a retail bank. Significant correlations were found between work climate, human resource practices, and business performance. The results showed that the correlations between climate and performance cannot be explained by their common dependence on HRM factors, and that the data are consistent with a mediation model in which the effects of HRM practices on business performance are partially mediated by work climate.

site visits to branch operations of a large bank, the author extends his research to the service sector. Because branch managers had considerable discretion in managing their operations and employees, the HRM environment could vary across branches. Site visits provided specific examples of managerial practices that affected branch performance. An analysis of responses to the bank’s employee attitude survey that controls for unobserved branch and manager characteristics shows a positive relationship between branch performance and employees’ satisfaction with the quality of performance evaluation, feedback, and recognition at the branch—the “incentives” dimension of a high-performance work system. In some fixed effects specifications, satisfaction with the quality of communications at the branch was also important.

Sekaran, U. (1989) studied a sample of 267 bank employees, this study traced the paths to the job satisfaction of employees at the workplace through the quality of life factors of job involvement and sense of competence. Results indicated that personal, job, and organizational climate factors influenced the ego investment or job involvement of people in their jobs, which in turn influenced the intra-psychic reward of sense of competence that they experienced, which then directly influenced employees’ job satisfaction.

Mitchell, Holtom, Lee and Graske (2001) asserted in their study that people often leave for reasons unrelated to their jobs. In many cases, unexpected events or shocks are the cause. Employees also often stay because of attachments and their sense of fit, both on the job and in their community.

Saxena and Monika (2010) studied a case of 5 companies out of 1000 organizations and 8752 respondents surveyed across 800 cities in India by Business Today. The survey was on nine basic parameters like career and personal growth, company prestige, training, financial compensation and benefits and merit based performance evaluation. It was concluded that the
biggest challenge for organizations is that when new employees appointed, it is difficult to merge them in organizational culture. Each organization has its own unique culture and most often, when brought together, these cultures clash. When there is no retention, employees point to issues such as identity, communication problems, human resources problems, ego clashes, and intergroup conflicts, which all fall under the category of “cultural differences”.

Ulrich discussed the benefits of translating Business Strategies into Human Resource Practices. It helped the business to adapt to changes, from the time of conception to execution of strategy and reduced the time for implementation. The business could better meet customer demands as customer service strategies were translated into specific policies and practices to achieve financial performance with the help of effective execution of strategies.

Dowling and Fisher in their study in Southeast Asia proposed following findings: 17 percent of Human Resource represented at top level; 56 percent companies considered Human Resource matters regularly; 46 percent companies had Human Resource Managers, 53 percent were concerned with the broad range Human Resource issues; and 72 percent provided Human Resource training to the supervisors. These findings reflected the position of Human Resource Management in Southeast Asian countries. Based on various dimensions Guest 66 highlighted on the Human Resource Management aspects. He mentioned that the essence of Human Resource Management lies in the strategic contribution and alignment. Human Resource Management required involvement of line managers and need to focus upon Human Resource outcomes like commitment, flexibility, and quality. The achievement of Human Resource outcomes were in turn expected to contribute to a range of positive organizational outcomes which included high job performance, low turnover, low absence and high cost-effectiveness through the full utilization of employees.
Review of Research paper and other unpublished Material

Price mentioned about the development of Human Resource Management as integration of many approaches. Various schools of thoughts on Human Resource Management were categorized under three main headings: Human Resource Management is the modernized form of personnel management based on integration of various practices like recruitment, training, assessment and development; Human Resource Management is a strategic model as it employed the techniques of strategic management for the utilization of human resource and its aim is to link business policy and employment cycle; and Human Resource Management is people management as it covers all aspects of managing people and concentrated on achieving organizational goals by winning employee's commitment.

Baird and Meshoulam suggested that Human Resource Management should serve the business goals of an organization. The critical managerial task for managers is to align the formal structure and Human Resource system to drive the strategic objectives of an organization. Human Resource Strategy is not just the mean to accomplish Business Strategy but an end in itself. Therefore, there could be no strategy without Human Resource Strategy. Baird and Meshoulam pointed to Human Resource professionals to have following skills:

- Information Management Skills -like statistics, analysis and research;
- Planning Skills -the knowledge of planning and planning methodologies;
- Management Skills- skills on various business functions and environment analysis;
- Integration Skills- competency at managing organizational interface and skills to assess and match different settings;
• Change Management Skills- the skills about predicting the future, facilitating change, and developing organizational activities.

Wright and Snell made an important observation that most of the Human Resource Management Models consisted of „fit“ components, which included Human Resource Management Practices, employee”s skills and behaviour and flexibility. The „fit“ components focused towards responding to a variety of competitive needs required for strategic and non-strategic considerations. Most of the literature supported linking of Human Resource Practices to Business Strategies for organization”s performance. Kay also supported this by adding that the Human Resource Strategy to be considered as an integral to organization”s strategic processes contributing towards organization”s overall performance. It was analyzed that the organizations relationship with environment could be handled with the help of suitable strategies.

Guest suggested best Human Resource Practices that included: job design in such a manner that employees have the responsibility and autonomy to use their knowledge and skills; selection process framed to carefully identify best potential; training as an on-going activity; two-way communication process to keep everyone informed; and employee participation to increase employees" awareness about the implications of their actions, for the financial performance of the firm. Guest proposed a „simple model" of „Human Resource Management and performance" which suggested that Human Resource Practices influence directly to an employee"s level of commitment towards his performance, which in turn impact on the organization"s financial performance as an outcome.
Uhl-Bien et al., argued that Human Resource Management Models did not focused enough on interpersonal relationships. It was always disputed that the way individuals interacted within organizations through interpersonal relationships depended on social relationship. Another theoretical view existed which was named as Behavioural view discussed by Appelbaum, et al.76 explained that the Human Resource Practices were designed to control and influence attitudes and behaviour of employees. According to these approaches Human Resource Practices directly influenced the behaviour of workers and improvement of organizational performance.

Paauwe and Boselie presented Human Resource Model, which incorporated elements of the contingency and configurational mode. The two dimensions in the environment which played a dominate role in designing of Human Resources Strategies included: product market combinations and the appropriate technology dimensions, which were expressed in terms of criteria such as efficiency, effectiveness, flexibility, quality, innovativeness and speed. It also represented the tough economic consistency with respect to national and international competition; and socio-political, cultural, and legal context dimension expressed in terms of widely shared societal values such as fairness, legitimacy with regard to work, time, and money. Paauwe and Boselie"s model highlighted the intrinsic tension in shaping of Human Resource policies between economic rationality and relational rationality that included moral values and the outcomes because of the past choices of strategy in interaction with the way in which structuring issues were originally posed and the kind of organizational culture existed.

Mr. Kesho Prasad, highlighted in his study *Getting the Right People* that the changing concepts and the explorations in the field of HRM, resorting to multitudinal HRD interventions for ensuring that people
develop a mindset of a very high order for any organizational transformation to meet the challenges of the day. This work includes Historical Perspectives, Growth of Personnel Management in India, The Emerging Scenario: Focus on the People, The Changing Concept of Personnel Management, New People Management, What Motivates People?, Selecting the Right People, Strategies for Retaining People, HRD in Local Bodies, World-Class Training and Development for Future Challenges and Strategies and The Future Trend

According to R S Dwivedi, *(Human Relations and Organizational Behavior)* he presents by his study, study offers an understanding of the global perspective on human behavior at work by comparative analysis of prevailing situations in Asia, Europe and in the US

K Prasad, tried to highlight on *Strategic Human Resources Management: Text and Cases* This study of Human Resource Management focuses on the evolving and modern concepts of HRM and personnel function. It links Human Resource Management with business strategy. It is written in a lucid way and is made comprehensive with the inclusion of learning objectives, case studies, and diagrammatic analysis of the concepts.


According to Raymond A. Noe, John R. Hollenbeck, *Human Resource Management: Gaining A Competitive Advantage*

Four challenges companies face are the global challenge, the challenge of meeting stakeholder needs, the high performance work practices challenge, and the challenge of competing in the new economy. The authors bring these challenges to life by highlighting real-world examples pertaining to these 4 issues and relating it to the concepts within the chapter. This best-selling McGraw-Hill Human Resource Management title provides students with the technical background needed to be a knowledgeable consumer of human resource (HR) products and services, to manage HR effectively, or to be a successful HR professional. While clearly strategic in nature, the text also emphasizes how managers can more effectively acquire, develop, compensate, and manage the internal and external environment that relates to the management of human resources.

Gary Dessler deals in his study about the *Human Resource Management*. study provides a comprehensive review of personnel management concepts and practices. It focuses on the high-performance organization, building better, faster, more competitive organizations through
HR; while continuing to offer practical applications that help all managers' deal with their personnel-related responsibilities. A six-part presentation covers the strategic role of human resources, recruitment and placement, training and development, compensation, labor relations and employee security, and international HRM. For human resource personnel, especially managers.

According to George W. Bohlander, Scott A. Snell, *(Managing Human Resources)* he tried to covers all aspects of human resource management and its impact on both individuals and organizations. The text builds on a foundation of research and theory, taking a practical approach focusing on critical issues and successful practices. Users and reviewers of the text praise its pleasant writing style, user-friendly design, and highly effective examples. In fact, over 500 different organizations from a variety of settings are used as examples to illustrate key points. The Highlights in HRM examples provide exact illustrations of organizational practices and policies. Important issues and critical trends are spotlighted in each chapter and reflected in the comprehensive and chapter ending cases included in the text. Balance of theory and practice, hands on activities, applications, and examples will helps learners develop the competencies to understand and help their organizations create a sustainable competitive advantage through people.

Wendell L. French, *(Human Resources Management)* tried to highlights in his study Ideal for management majors who plan to become HRM professionals, this highly accessible text presents a conceptual model of the field, placing HRM in the overall context of business management. Students gain a broad, practical understanding of how HRM policies affect the workplace from productivity, quality, and customer service to employee morale. French addresses timely issues changing the current role of HRM, including international topics, the Internet, emerging legal concerns, social responsibility.
According to Richard M. Hodgetts, Kathryn W. Hegar, (*Modern Human Relations at Work*) the original intent of the study remains paramount: to provide an up-to-date study for readers who are novices in the area of human relations or for practitioners with little formal training in the subject. This edition examines the most interesting human relations developments of the early millennium. Many of these issues, while not found in other human relations textstudies, relate to current topics discussed in today's newsstudies and magazines.

Gregory Moorhead, (*Organizational Behavior: Managing People and Organizations*) tried to explain the, Places core concepts of human behavior and industrial psychology in a real-world context. The text's applied approach and succinct coverage of topical issues helps prepare students to meet practical, day-to-day challenges. Strong end-of-chapter exercises, activities, plus an optional case and exercise study make this flexible text suitable for students at the undergraduate level. Likewise, the authors' emphasis on the latest research continues to attract graduate students.

Mr. Peter Dowling, Denice E. Welch, Randall S. Schuler, (*International Human Resource Management: Managing People in a Multinational Context*) highlighted in his study Written by authors with broad international experience, this current and comprehensive resource contains extensive international research and examples without losing its appeal to a U.S. audience. This study focuses on the choices that confront multinational enterprises in international HR management and factors to consider in making those choices.

According to Ronald R. Sims, (*Organizational Success through Effective Human Resources Management.*) Not only are performance and human resources management (HRM) bound tightly together, but Sims even goes so far as to say that the way people are managed in coming decades
will be the most important determinant of organizational success. He shows how success is determined by a firm's skill in HRM.

Lynda Gratton, Veronica Hope Hailey, Philip Stiles, Catherine Truss, (Strategic Human Resource Management: Corporate Rhetoric and Human Reality.) tried to put his views on, "Life is tough in organizations, both for managers and the managed. Negotiating the rapids of restructuring, downsizing, and refocusing the core business brings with it huge upheavals in job security, the smashing of traditional career structures, and a constant imperative for employees to update...

According to Ronald J. Burke, Cary L. Cooper, (Reinventing Human Resources Management: Challenges and New Directions) The authors of this text review the most current thinking on HR initiatives associated with current organisational performance and investigate how the field will need to mobilise in new ways to meet the demands of the future.

Abraham K. Korman, Allen I. Kraut, want to put his views that (Evolving Practices in Human Resource Management: Responses to a Changing World of Work) The ninth volume in the Professional Practice Series, sponsored by the Society for Industrial and Organizational Psychology, a division of the American Psychological Association The past two decades have seen astonishing changes in the way we do business that is highlighted in this work.

Chris Brewster, Hilary Harris, Paul Sparrow, highlighted in his study on, (Globalizing Human Resource Management) Establishing the agenda for global HR, this study looks through the eyes of HR professionals themselves. It gives a broad, coherent overview of the field of IHRM and a detailed, practical analysis of what is needed to be successful in this crucial area of modern management.

resource management, this text represents most of what is currently known or experienced within the field.

Paul G. Kaponya, (The Human Resource Professional: Tactics and Strategies for Career Success.) want to put his views. This first of its kind study addresses the very special tactics, strategies, and modes of behavior the human resource management function demands of those who want to succeed in a field that faces a work environment roiled by rapidly-changing technology, and increased domestic and global competition.

E. Patrick McDermott, Arthur Eliot Berkeley, (Alternative Dispute Resolution in the Workplace: Concepts and Techniques for Human Resource Executives and Their Counsel) highlights on the explosion of workplace litigation and the skyrocketing costs associated with it, employers in both the private and public sectors are seeking new ways to swiftly and inexpensively resolve disputes with their employees. Alternative dispute resolution (ADR) procedures offer ways to do this.

Richard Rudman, (Performance Planning and Review: Making Employee Appraisals Work.) he tries to opined on appraisal work, he stated that, New edition of an established text for managers and students on performance planning and review. Updated to include contemporary practices such as 360-degree feedback and team performance planning and review, the study reinforces that this essential management tool is a continuous process, not a once-a-year event.

According to Carol T. Kulik, (Human Resources for the Non-HR Manager.)c Human Resources for the Non-HR Manager appeals to anyone interested in management issues. The study explains why human resource issues are increasingly the responsibility of front-line managers, and not the HR department. Chapters present the basics of HR-the fundamentals of hiring, performance.

Pawan S. Budhwar, Yaw A. Debrah, (Human Resource Management in Developing Countries) highlighted in his study that, Bringing together
contributions from leading HRM academics, this unique volume highlights the main national factors which significantly influence and dictate HRM systems in developing countries. The subjects include Human Capital in Developing Countries, Management, and Personnel Management in Developing Countries.

According to Paul Sparrow, Chris Brewster, Hilary Harris, (Globalising Human Resource Management.) Establishing the agenda for global HR, this study looks through the eyes of HR professionals themselves. It gives a broad, coherent overview of the field of IHRM and a detailed, practical analysis of what is needed to be successful in this crucial area of modern management. The subjects include International Business Enterprises--Personnel Management.


According to Timothy Dean Keeley, (International Human Resource Management in Japanese Firms: Their Greatest Challenge) he put his opinion in his study, This study examines one of the greatest challenges facing Japanese multinationals as they continue to expand foreign direct investment: how to integrate local managers into the management process of overseas subsidiaries, as well as in that of the parent companies themselves. The subjects include Industrial Management--Japan, International Business Enterprises--Management, International Business Enterprises--Personnel Management, Organizational Change--Management.

Audrey Mathews, highlighted in his study Diversity: A Principal of Human Resources Management, Journal of Public Personnel Management,
The study...understand their role in human resource management and applying organization...The subjects include Civil service-Personnel management, Human resource management--Technique, Workplace multiculturalism--Management

Mir et al., examined changing employee-organization relations. As the „new age employees” have different expectations from organizations about their career needs. Such employees want to be responsible for their work and the results to be produced by them. They want tasks matched to their strengths. They expect equitable treatment at the workplace. They also demand and receive higher compensation for their work. Therefore, the changing needs of employees must be made part of Human Resource Strategy so as to develop right Human Resource Practices.

Purcell et al., emphasized that it was not about having a range of well conceived Human Resource Policies and Practices but it was about how these policies and practices were implemented. More purposely, Human Resource Strategies were concerned with the development of continuous improvement and customer relation policies. The Study also, detailed about the contribution of front line managers in Human Resource policies and practices. The key areas in Human Resource like job and work design, flexible working, workforce resourcing, employee development, reward, and giving employees a voice need to be developed for the successful implementation of high performance work practices. Identifiable key factors affecting job satisfaction were career opportunities, teamwork, and good working conditions for employees. Finally, it could be concluded that Purcell and his co-authors considered policies and practices implementation as a vital component in linking people to business, for effective management of change, for creating workplace a good place to work and this been the prime task of line managers.
Palthe and Kossek concluded that various organizational sub-groups played a significant role in ensuring that Human Resource Strategies must be effectively implemented. Their study attempted to illustrate linkage between the changing Human Resource Strategies and employment modes within an organization. Various Human Resource Strategies included in the study were creating human capital, buying human capital, contracting human capital and partnering and collaborating for human capital. These Human Resource Strategies were also influenced by different subcultures existing in an organization. It was suggested by Palthe and Kossek that organizations should recognize and accommodate multiple subcultures, to enable Human Resource Strategy implementation.

Bowen and Ostroff suggested that in order to understand the Human Resource Practices and performance link, more micro and macro level Researches were required. Values and culture of a firm also influenced upon Human Resource Practices. These influences were mainly reflected by how quickly the strategy merged or attuned with the Human Resource Practices. Therefore, development of a Strategy and Human Resource Practices required integration along with corporate values and culture.

Caldwell, survey findings suggested that Human Resource professionals need to identify the persistent gaps and judge them realistically. Caldwell's study examined progress in the implementation of Human Resource Management in various organizations. He listed twelve key Human Resource policy goals. These policy goals were ranked according to their importance as: managing people as asset and fundamental to the competitive advantage of organizations; developing a close fit of Human Resource policies, procedures and systems with one another; creating a flatter and more flexible organization capable of responding more quickly to changes; encouraging team-work and co-operation across internal organizational boundaries; creating a strong customer philosophy throughout the organization; increasing line management responsibility for
Human Resource policies; improving employees involvement through better internal communication; aligning Human Resource Management policies with business policies and corporate strategy; empowering employees to manage their own self-development and learning; developing reward strategies designed to support a performance-driven culture; developing the facilitator role of managers as enablers; and building greater employee commitment for the organization.

Research studies of Researchers like Grubb 90 and Gibson et al., 91 emphasized that Human Resource systems needs to be based on long-term plans with characteristics of internal consistency among various Human Resource Strategies. Stability in Human Resource Strategies will encourage high trust beliefs, seeding the supportive work place relationships with effective standards like how to hire, promote, evaluate, and equitably compensated employees. For example, an effective Human Resource Practice for setting salary and promotion decisions needs to be based on past performance as well. It will aid in the development of a performance improvement plan by utilizing coaching from the Departments supervisors or managers for skill development. Hence, in this way, Human Resource practitioners could measure and improve the practices offered by their organizations for employees. Such initiatives will also help to improve employee's satisfaction and better service quality.

Compton in his study mentioned that Human Resource Strategies must include recruitment and selection, education and development, performance management, succession planning, remuneration and finally retention of key players. Compton pointed, that the previous approaches to Human Resource Management were largely incoherent with no real linking to strategic planning. Human Resource Management Models needs to have clear link with the external environment, external customers, and suppliers. The internal strategic planning processes required to be developed so that it adds value to the organizations. Compton's study suggested that Human
Resource professionals might focus on a few strategies to develop best practices.

Akhilesh and Nagaraj mentioned in their study that prior to independence private owners dominated in Indian industrial scene, particularly characterized by an autocratic leadership style. The issues related to employee relation were, handled as a fire-fighting strategy by management. After this period, number of developments started taking place such as formal recognition to worker's unions and appointment of labor officers that brought changes in the personnel functions in India. In 1960's, the personnel function raised concern about obtaining people, maintaining personnel records, administrative work, and enforcing discipline. Whereas in 1970's, the personnel functions shifted towards greater organizational efficiency and in 1980's, onwards the focus was on terms and issues such as Human Resource Management and Human Resource Development.

Reddy suggested that Indian organizations should focus on organizational structure, technology, and communication according to the emerging environment changes. Human Resource Strategies are to be supported by changes taking place in the economy, and accordingly these strategies are to be implemented by organizations. Reddy's study indicated that the requirement of Human Resource Management as strategic partner and organizations to become extremely strategic and dynamic.

Kazmi and Ahmed studied Strategic Human Resource Management principles in four Indian organizations and found that strategic Human Resource Management principles existed in all the organizations except in one organization. They found that the corporate and Human Resource Management Strategies must be developed simultaneously.
Amba-Rao et al., in an empirical study compared performance appraisal practices and management values among foreign and domestic firms, which included three global Indian companies with 235 managers. Amba-Rao and co-authors suggested that managers of organization needed to adapt selectively depending on the basis of ownership structure of an organization. Their study also gave evidences of positive linking of Human Resource Management Practices with organizational performance.

The traditional Indian values like respect for seniority, status, and group affiliation were complemented by newer areas of attention such as work quality, customer service, and innovation, which were usually linked to globalization. Now a day's employees considered learning new things at work as an opportunities and an important factor for job satisfaction. Chatterjee and Pearson 102 listed these above mentioned qualities with the help of an empirical study in which they collected evidences from 421 senior level Indian managers.

Paul and Anantharaman in a study on 35 Indian software companies determined a causal model linking Human Resource Management with organizational performance through an intervening process. It was observed that not even a single Human Resource Management Practice was directly connected with organizations financial performance, though Human Resource Management Practices influenced indirectly on the operational and financial performance of the organization.

Budhwar and Boyne studied the gaps between Indian Private and Public Sector Human Resource Practices. They found that the gaps were not significant with respect to structure of Human Resource Departments. Both Public and Private Sector organizations had key Human Resource Strategies like- recruitment and selection, pay and benefits, training and development, and employee relations but on the other hand, both the sectors adopted different approaches with respect to few functional areas like compensation, training, and development. Researchers finally stated that Private Sector
organizations had more rational approach than their Public Sector counterparts.

Chiamsiri et al., and Prasad suggested from their research studies that due to the rapidly growing competition in the global market, talent pool has become a crucial factor for survival in the market. Another major challenge for the Human Resource managers of today is to recruit right person and retain them for longer time to survive and flourish in today's hyperactive competitive business. Thus, meeting the demand and supply requirements of manpower in the industry is the chief role played by Human Resource managers.

Radjamanogary; and Das highlighted with respect to globalisation that Human Resource Practices such as -training and development, performance appraisal, communication, and participation were the key practices, which helped organizations to face challenges due to globalized environment. The changing environment calls for adequate orientation and to facilitate the transition with the necessary support to individuals for organizational excellence.

Chatterjee mentioned that the understanding of the relativity of Human Resource Management to strategically intended organization seems to be less well articulated in Indian organizations. Chatterjee highlighted key drivers for modern Indian market driven Human Resource Management (Figure I. 13). There existed four external spheres of interference for Human Resource professionals, which were integrated within organizational settings.

Kunda et al., discussed the presence of effective Human Resource Practices in the shipping companies. The practices, namely Training and Performance Appraisal and Hiring and Compensation System emerged as very strong practices followed by Career Development. Job Analysis and Human Resource Planning emerging as moderately practiced in these
companies. Workforce Diversity and Flexi-work System also showed presence but did not emerge as strong practices.

Som's research study on various Indian organizations revealed that the role of Human Resource Department was to not only design and evaluate employees related management policies and practices, but to implement the changes along with supervisors and frontline managers in the changing business environment. The study demonstrated that Human Resource professionals required right competencies and understanding of various environmental forces impacting on implementation of Human Resource Policies and Practices.

Kumar's study revealed that Human Resource policies and practices were followed in Indian Cement Industry. Kumar also confirmed that human input was the single largest input that goes in the cement industry. This Study proved the pertinent existence of Human Resource Practices in India. Kumar suggested that Human Resource professionals needed to focus on the individual needs and aspirations to the extent that they develop the ethos of organizational commitment. The Study also concluded that culture and leadership were the significant predictors of employee performance. Biswas highlighted that Indian organizations could design as well as sustain effective policies and practices and point out that Human Resource functions in Indian organizations are becoming business strategic partners.

**Concluding Remark:**

The studies reviewed above have indicated that the progress of Human Resource Development in banking industry has given various facilities to the employees during the past ten years. Several factors have boosted the banking industry. Very few studies have been concluded so far on Human Resource Development in banking in India. No attempt has so far been made for the study of Human Resource Development in banking
industry in Maharashtra various region and Marathwada region in particular. Hence, the present study is a sincere effort to fill up this gap.

References:-


