Chapter - II

Select Review of Literature and Methodology
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References
In this chapter, an attempt is made to review select literature on HRM and present the methodology adopted for the study.

1. SELECT REVIEW OF LITERATURE

The concept of Human Resource Management (HRM) is comparatively of recent origin and came into existence in the latter half of the twentieth century. Personnel management which has been in existence for the last many decades and Human Resource Development (HRD) which came into prominence in mid-1970’s can be considered as fore-runners of HRM. HRM philosophy with greater emphasis on human element integrated all aspects of personnel management along with HRD. With the emergence of HRM, personnel management practices have attained more crucial role and organisations started viewing their people as their most important resources. HRM is a benevolent approach to develop and effectively utilise the manpower not only for the benefit of the organisation but also for the growth, development and self-satisfaction of the concerned people. Thus, HRM is a system that focuses on the HRD on the one hand, and effective management of people on the other.

Realising the significance of HRM in organisational effectiveness, a number of studies have been made by academicians, scholars and organisations both in India and abroad covering various aspects of HRM policies and practices. It is not possible for any researcher to make an exhaustive review of literature on HRM. Hence, an attempt is made to present a select review of literature on HRM in the following pages.
For this purpose, the studies on HRM are broadly classified into two categories (a) General studies on HRM; and (b) Studies on HRM in Banking Sector

(a). General Studies

These studies relate to HRM in organisations other than Banking sector.

Patten (1971)\(^1\), in his work, defined organisational development (OD), management by objectives (MBO), and reward/ punishment (R/P) systems. The relationships between these systems in the organisational structure was discussed and illustrated. The study suggested that OB, R/P and MBO are closely related and must be compatible if an organisation is to grow and the potentials of the staff is to be fully utilised. In this study alternative patterns for organisational change are also presented and commented upon.

The study of Minter (1972)\(^2\) discussed problems inherent in the management of the training function and noted that development of theory in this area is lacking. In this study, examples of common pitfalls in training techniques which detract from results are presented.

Nadler (1974)\(^3\) in his study has discussed the application of the HRD concept in terms of its implications for organisational responsibility, mutual expectations, learning theory, human resource accounting, and evaluation techniques.
Nigro and Nigro (1974)\(^4\) in their work have identified three basic dimensions in the task of developing and instituting training programmes. They are: (a) identification and analysis of technical or socio-psychological interviewing variables; (b) strategy of decisions about training goals and means; and (c) programme design, execution, and evaluation. The study has focussed on the second aspect and concluded that capable trainers are contextual strategists and that they strive to minimize uncertainty.

Robert and Benett (1977)\(^5\) in their study covered 17 multi-national companies, with employees ranging up to 6000, operating in both developed and developing countries staff, directors and human resources experts were involved in the study. This world-wise study found that in many developed and developing countries proper approach to professionalisation of human resource management was lacking.

To combat this situation, this world-wide study identified following key areas for professionalisation in HRM: (i) Manpower planning, recruitment and selection programmes; (ii) Training and development programmes; (iii) Compensation plans; (iv) Occupational health/safety programmes; and (v) Participation and effectiveness.

These recommendations highlighted the need for humanisation approach to human resources and created international awareness of human resources management in the multi-nationals.
Chakrabarty (1978) in his study on “Personnel Management in Consumer Co-operatives” observed that nepotism and favouritism are still the main hurdles in the field of personnel management, especially in recruitment and selection.

Raghavan (1978) made a brief survey of several approaches to workers participation in management in private and public organisations in India. Besides this, he described about an experiment carried out at one of the public sector organisation (Bharat Heavy Electrical Limited) on workers’ participation.

Rosow (1979) based on the premise that improved quality of work life and productivity are related has examined five aspects of the quality of working life in the public sector, viz., pay, benefits, job security, training and development, and participation. Economic costs and their effects on productivity have also been discussed.

Briggs (1981), discussed the benefits of using the formal grievance procedure and categorised five of its functions viz., conflict management, agreement clarification, communication, adjudication process, and institutional strength enhancement. The study suggested that organisations should periodically evaluate their formal grievance procedures against four criteria: the grievance rate, the settlement rate, the settlement level and perceived settlement equity.

The study of Acuff (1981) on “Quality Control in Employee Selection” indicated three important factors to be observed while screening a resume. These are (a) omissions (always meaningful), (b)
salary progression (an indicator of motivation) and (c) academic records (an indicator of learning ability although not necessarily an indicator of job success). The author opined that the interview should be viewed as an aid to gathering facts on the applicant's appearance, voice, poise, conversational ability, alertness, warmth and likeability, and maturity.

Collins (1981)\textsuperscript{11} in his study on "Incentive Programmes" identified two primary reasons why many employee incentive programmes do not work: (a) the programme does not meet the needs and priorities of enough employees, and (b) the programme is improperly designed or implemented by management. Criteria for a successful incentive programme are presented. The study emphasised that management must have an already established effective communications system before introducing the programme.

Rao (1982)\textsuperscript{12} in his study on "Personnel Management in Selected Wholesale Consumers' Cooperative Stores in Orissa" observed that the promotion prospects in these organisations are highly restricted. He suggested that Creation of common cadres and dispensing with the practice of drafting services of departmental officers would greatly enhance the promotion prospects of employees.

Smith (1982)\textsuperscript{13} in his work on "Strategic Business Planning and Human Resources" has argued that the maturity stages (e.g., embryonic) of an organisation greatly influence human resources policies and programmes. Characteristics of human resource
programmes have been discussed in terms of four maturity stages: embryonic, high growth, mature, and aging.

The study of Bourdon (1982) discussed the common features of behaviour analysis (BA) and human resource management and the functions of professionals in these fields. The author felt that BA can be used by the manager in the process of hiring and training people in an organisation through work life and into retirement. It is also applicable in the areas of employee recruitment, training, performance assessment, selection of employees for advancement, the development of human potential, and the development of management skills.

Sharma (1980) in his study emphasised the importance of organisational climate in employee work motivation. Based on survey of 50 industrial organisations in India he observed that grievance handling, recognition and appreciation, participative management and scope for advancement are important factors in an organisational climate for enhancing work motivations of employees. Therefore, what is required is improvement of quality of work life and not merely the material benefits.

Tandon (1983) in his paper on “Tasks before the Fourth Pay Commission” observed that a fair and just remuneration is an essential pre-requisite for motivation and commitment in public services. The Central and State Governments appoint, from time to time, pay commissions to rationalise and update salary structures and other service conditions of their employees. The Fourth pay commission for
Central Government Employees was appointed in July, 1983. The author critically examined various issues which are relevant for the determination of pay and other service benefits for government employees which require careful consideration by the commission.

Bhatia (1983)\textsuperscript{17} has primarily focussed on the new ideas and trends that are occurring in the practice of personnel function. He has discussed areas such as, the new role of the personnel departments, result orientation in personnel function, concept of organisation development, utilisation of human resources, career planning, production, performance appraisal, and counselling, which will meet the overwhelming concern for improving productivity and better utilisation of human resources in the plants.

Gopalji (1985)\textsuperscript{18} made an attempt to examine the place of ‘personnel’ as a function in Indian manufacturing industries and surveyed the enterprise practices relating to various personnel related functions.

Kulkarni (1985)\textsuperscript{19} in his article highlighted the importance of introducing modern management techniques as an aid to efficient running of human development programmes (HDPs). He felt that corporate enterprises have tended to shy away from making investments in such projects. Therefore if HDPs have to survive on their own, cost recovery bases have to be built into their design. He concluded that the management movement has not caught up among the managers of HDPs, and it will not do so unless number of corporate
bodies make a conscious and deliberate effort to generate management ethos among policy makers and managers of HDPs.

The study of Lee (1985)\textsuperscript{20} has outlined the deficiencies in the textbook treatment of promotional processes, with the aid of a case study based on an organisation referred to as "promco". In the course of the promco case, a series of problem issues have been identified concerning evaluation methods and practice/reactive characteristics, which are of major importance to practicing managers, but are neglected in most personnel texts.

Hax (1985)\textsuperscript{21} in his study contended that the importance of human resources in business has been identified due to recent competitive pressures and changing values in the workforce. A methodology for enabling managers to translate the basic principles of human resource strategy into pragmatic and concrete action programmes has been presented. It is indicated that this strategy can be applied to selection and promotion, appraisal, rewards, management development and labour relations.

Mahoney and Deckop (1986)\textsuperscript{22} have examined recent shifts in orientation within personnel administration and human resource management (HRM), such as, changes from personnel to human resources, from administration to management and from human relations to organisational effectiveness. These shifts have been interpreted as indicative of a search for a unifying analytical framework. Integrative concepts from the organisation sciences, particularly
the idea of different labour market structures have been viewed as possibilities for synthesizing HRM strategy.

The study of Loretto (1986)\(^{23}\) has discussed the purposes of the employment interview from both the interviewer's and the interviewee's perspectives. The problem of interviewer bias is considered, and suggestions for effectively structuring of an interview are given.

Bowden (1986)\(^{24}\) study has outlined a practical approach that can help managers learn from their own work problems. The approach—problem-oriented training - is flexible and is designed to meet the needs of managers in the classroom. It is maintained that problem - oriented training can become a major force for strengthening organisational effectiveness.

Bhave (1988)\(^{25}\) in a key note address on "Human Resource Management in Cooperatives" viewed that "if the co-operative system has to compete with the public and private sectors, it cannot be done except through the effective use of professional management".

Appa Rao (1988)\(^{26}\) in his study has examined the personnel management policies and practices in Indian small-scale industries and pointed out the deficiencies there in. He has suggested measures for improving personnel management policies and practices in small scale sector.
Lewick-Wallace and Jask (1988)\textsuperscript{27} have examined the importance of the trainer in on-the-job training and outlines the basic qualities and skills that trainers must have. It is suggested that the trainer must also learn the training process itself and be able to identify and analyse each portion of it.

Roback (1989)\textsuperscript{28} has reviewed the literature in the field of human resource management and development, with emphasis on training and evaluation, career development systems and management, and discipline. Particular research patterns focusing on public personnel perspectives have been emphasised and analysed.

The study of Siegel (1989)\textsuperscript{29} discussed compensation, benefits, and work schedules from the point of view of human resources management, which revealed common areas of their impacts and effects. These include employee morale, motivation, and performance and workforce recruitment, retention, and turnover.

Ramaprasad Rao (1990)\textsuperscript{30} made a study on "Human Resource Management in Municipalities". The study aimed at examining the methods of recruitment and selection; training and development; emoluments and benefits; job motivating factors and job satisfaction; and unionism and union management relations in 10 selected municipalities in coastal Andhra region of Andhra Pradesh. Opinions on various aspects covered by the study were obtained from a sample of 200 administrative and technical staff and 100 menial staff of these municipalities. Also information was gathered from 30 management...
representatives and 20 union officials of these municipalities. The findings of the study indicated that there was no uniformity in methods of recruitment and selection in different municipalities. Majority of the sample respondents opined that 'influence factor' played a significant role in selection. He observed that training facilities for municipal employees were inadequate and deputing employees for training was not done regularly. Transfer practices differed from stipulated policy and political influences dominated transfer policy which is not a healthy sign. Three-fourths of the respondents felt that promotion opportunities were very few for municipal employees. The study further indicated that though majority of the respondents indicated satisfaction with their total emoluments, they expressed dissatisfaction about non-payment of salaries in time. All municipalities did not adopt uniform policy regarding benefits provided to employees. Sample employees' opinions on job motivation factors differed considerably, though majority of sample employees expressed satisfaction with their jobs. Most of the sample employees expressed satisfaction with their union performance and union management relations. Suggestions for improving various aspects of Human Resource Management were made.

Michael (1995) in his book "Human Resource Management and Human Relations" observed that National Institute of Personnel Management (NIPM) has played a commendable role in familiarising and popularising the human resource management concept in India. The Institute's 11th National Annual Conference held in 1992 has
discussed at length "Human Resource Management: Contributes and Challenges" and suggested twenty five points to meet the challenges of emerging trends in Human Resource Management. 12th National Annual Conference of the Institute held in 1993 has discussed "HRM strategies for Competitive Advantage". Thus, NIPM has actually taken the message of HRM far and wide in India. This resulted in widespread awakening in India about HRM practices now-a-days.

Jackson and Scholar (1995)\textsuperscript{32} in their study have reviewed the literature on contextual conditions and human resource management (HRM). Research on HRM and the internal contexts (e.g., technology and structure) and external contexts (e.g. legal, social, and political environment) of organisations have been discussed.

The study conducted by Chatarjee (1996)\textsuperscript{33} identified the issues relating to the design and implementation of an effective performance appraisal system. It is suggested that in designing of appraisal systems, organisational goals, culture and politics, social and psychological needs of the employees, and other overt and unconscious dynamics that could influence the appraisal process are to be considered.

Campion, et. al., (1997)\textsuperscript{34} in their study have reviewed the research literature in order to describe and evaluate the many ways selection interviews can be structured. Fifteen components of structure that may enhance either the content of or the evaluation process in the interview have been identified. Each component is explained in terms of its various operationalisations in the literature. Then, each component is
critiqued in terms of its impact on numerous forms of reliability, validity, and user reactions. Finally, recommendations for research and practice are presented. It is concluded that interviews can be easily enhanced by using some of the many possible components of structures and the improvement of this popular selection procedure should be a high priority for future research and practice.

Saini (1997) in his paper stated that liberalisation agenda has been adopted by nearly all countries leading to the emergence of a borderless economic world and of a new development paradigm. Starting with an overview of this new thinking, the study has made an attempt to locate diminution of trade union power as a essential consequence of the globalisation syndrome as well as a result of state's desire to this effect-consciously or covertly - so as to facilitate realisation of the liberalisation agenda. The emergence and popularity of HRM is viewed as an instrument for people development so as to cope with the problems raised by the environment of competitiveness. HRM is distinguished from traditional personnel management, and articulation of its full import is attempted. Also examined is the relationship between HRM and the crises faced by unions.

The study of Gani (1998) based on the data collected through the personal interview of 250 workers and 60 managers (using a structured questionnaire) selected on a random basis from five large and medium sized manufacturing units, examined, some important aspects of workers' participation in decision-making. The results have drawn attention to the fact that most of the existing schemes of participation in
India have not shown the desired results due to various constraints. Despite that, majority of the workers and management personnel continue to have high hopes from this system. They view organisational climate as quite conducive for participation and exhibit a strong desire for involving workers in decision-making particularly at medium and local levels of organisational hierarchy. The study has attempted to draw in sights and implications of practical significance for all associated with the formulation and implementation of the scheme.

Khan (1998)\textsuperscript{37} in his paper has attempted to trace the circumstances that forced organisations to change their stances towards organisation and people management. The study has examined the metamorphosis of traditional administrative personnel function into a more proactive and strategic HRM. The paper has dealt with the emergence of “new” organisation, which has set the stage for more proactive Human Resource (HR) function. It has analysed the transformation of HR function and provided an agenda for the twenty-first century to HR functionaries. The paper has concluded that the impact of the transformation of the HR function and processes should be measurable and HR programmes have to be more answerable in short and long-term perspectives.

Bhadu and Saxena (1999)\textsuperscript{38} in their study examined training-related practices in 10 selected large-scale organisations (3 public sector, 2 joint sector, and 5 private sector) in Rajasthan state. Primary data for the study were collected through structured questionnaire administered to the Human Resource Managers of these organisations. Also informal
discussions were held with a cross section of the employees to know about effectiveness of training programmes offered by the management. The study observed that all public sector industrial units, 50 per cent joint sector industrial units and 80 per cent private sector industrial units have drafted well-defined training and development policies for their personnel. The study indicated that many companies have given emphasis to training of lower level employees. Hence it is suggested that training is needed for all employees - both for lower level employees as well as for managers at various levels. It is also suggested that there should be a proper-mix of both on-the-job and off-the-job training and off-the-job should include external course method as well as participation in conference method. Since executive development programmes have been found to be useful in improving the productivity, efficiency and effectiveness of managers, it is suggested that these programmes should be included as an integral part of the training programme.

Ranga Rao (2000) in his article has suggested that the success of any organisation depends on how it utilises the resources and how effectively it satisfies the customer requirements. He pointed out that there should be balance between cost and quality of the product and this can be achieved through the effectiveness in utilisation of resources and by eliminating the non-value added activities.

Shweta Varma (2001) in her article “The HR Olive Branch” has made an attempt to study the various aspects relating to human resources in IT industry. She focussed on the recruitment, reward and
retain aspects of the manpower. She observed that any IT professional has the job offers at any given point. A human resource manager, therefore, not only has to examine the offers on hand for an IT professional, but also needs to ascertain whether that person wants to continue in the organisation, and for how long. She also felt that environment for learning also plays an important role in retaining people. In this article, it is focussed that the challenge of retaining the staff already on the roles, is a job tough enough to all the software companies.

Ravi, D. (2001) has made a study relating to the human resources in the present scenario. He pointed out that new economy demands new thinking and even otherwise the machine era has ended being replaced by that of the mind. Managing knowledge workers is a new challenge which HRD faces today. In his opinion, on account of the fast expansion of the IT industry and the intense competitions for attracting skilled personnel and retaining them and reducing employee turnover, HR professionals facing new challenges can be met by satisfying the employees by providing social recognition, turning subordinates in to fellow executives and by making employees as partners.

Anindya (2002) has highlighted that in order to make training to be effective, training has to be linked with the organisation's strategic agenda. It is pointed out that good training design provides excitement to participants and gives them opportunities for implementing subsequently what they have learnt. Further, the output should be
measured in tangible and intangible forms and employees achieving them should be recognised and rewarded. A stand alone training design, without linkages to other HR systems like administration, participate management and career planning has been considered to be successful.

(b). Studies on HRM in Banking Sector

Bose (1976) explored the relationship between job satisfaction and occupational status in the banking profession by administering an employees' job-satisfaction inventory to 50 first grade banking officers and 50 clerks. Results indicated that status of job and job satisfaction were positively correlated and that the two occupational groups differed significantly in their levels of job satisfaction, job satisfaction levels of clerks being lower than that of officers.

Rosen and Thomas (1978) conducted an experiment by taking 143 bank employees as sample. Results supported the hypothesis that inclination to encourage employee-participation in decision-making is greater when the decisions are to be implemented on a trial basis.

Anantharaman and Samshad Begum (1982) administered the job involvement scale to 10 managers, 50 officers and 100 clerks (aged 24-55 years) of a large Indian banking institution. The study revealed that there was no difference in job involvement among sample respondents and all showed high levels of involvement. This may be due to the fact that the working conditions, salaries and nature of the work for all respondents were similar. Previous studies have found job
involvement to be related to level of aspiration and internalisation of goals.

Mukharjee (1983)\textsuperscript{46} in his paper on "Banking Training-Miles Traversed, Miles to Go" has found the following limitations with regard to banks' training programmes: (i) Lack of integration between training function and other systems such as recruitment, transfer, promotion, placement, career development, etc., (ii) Sponsoring employees for various training programmes has become a ritual, and (iii) Absence of a systematic and scientific criteria for selecting trainees.

Pathak (1983)\textsuperscript{47} investigated the relationship between job involvement and need satisfaction among 150 bank officers (mean age 35 years) from 4 public sector banks in India. Sample respondents completed a questionnaire that measured job involvement and need satisfaction. Data did not reveal a strong relationship between these two factors. The important finding that emerged was that the respondents, regardless of job involvement, wanted more decision-making authority, opportunity for personal growth and development, and recognition for good work done. One factor of importance for job involvement appeared to be satisfaction through recognition for good work done. It is suggested that both tangible and symbolic forms of recognition of good work may increase job involvement.

Shiv Shankar (1984)\textsuperscript{48} in his study observed that HRD in banking industry has occupied a pivotal role as a development planning tool in the personnel area which is basically concerned with the development
of human resources in the organisation. It is pointed out that HRD efforts are basically directed towards exploring the human potential and utilizing the same in a proper way. The author indicated that rapid expansion of the banking industry has brought special emphasis on HRD and various types of specialised and general courses have been designed to develop employees.

Pratap and Gupta (1986)^49 in their study administered job satisfaction scales to 25 male and 25 female employees from various banks. The findings revealed that females were more satisfied with their jobs than males.

Sapru (1987)^50 examined the role of banking institutions in public sector and how the personnel management in banks can be revamped for improvement of its performance. Attempt was also made to study the quality of customer service in the selected bank.

Considering HRD climate as an integral part of organisational climate, Abraham (1986)^51 has made following observations in his study on banking sector:

(i) There is a wide gap between the belief of the top management and their practice with regard to human resource development. Whereas the belief and philosophy are of ideal order, the practice of it falls short of expectations. It is because the chairman and managing directors are changed or transferred too frequently and as a result they do not get sufficient time to put their beliefs into practice.
(ii) Banks have banked on training as mechanism for HRD. The amount invested in training institutions, training programmes and training facilities is high as compared to its effectiveness. Other mechanisms of HRD have not been fully implemented.

Sinha (1988)\textsuperscript{52} in his doctoral research work examined job satisfaction among 341 employees belonging to different categories (78 officers, 185 clerks and 78 sub-ordinate staff) in six public sector and five private sector commercial banks in Patna Municipal area. The following are the main findings of the study:

(a). Organisational Structure and Job Satisfaction:

The employees of private sector banks are found to be more satisfied than their counterparts in public sector banks. Employees in small banks are more satisfied than the employees of the medium and large banks.

(b). Employees Background variables and job satisfaction:

Age, family environment and housing were positively correlated with job satisfaction while education and job level were negatively associated with job satisfaction. Marital status, rural-urban background and family structure did not show any significant association with job satisfaction.

(c). Job Characteristics and Job Satisfaction:

Job characteristics like work environment, income, security, prestige and promotion opportunities were found to be of primary
importance. The expectations of the officers from their job differed significantly from those of clerks and subordinate staff. For officers, prestige, power and autonomy (non-economic factors) were observed to be more important whereas economic rewards like income, security, and promotion were important for both clerks and subordinate staff. Thus the study concluded that job satisfaction of an employee was related individual’s expectation of different characteristics of the job and the perception of how much was attained. Greater the discrepancy, higher the dissatisfaction.

Happali and Mallappa (1988)\textsuperscript{53} interviewed 40 bank employees to study the relationships of age, length of service, salary, education and marital status to job satisfaction. The study found no correlation between the above factors and job satisfaction.

Blan, Gary (1990)\textsuperscript{54} partially tested the individual differences Vs realistic information explanations for differential recruitment source impact on performance in 5 fulltime bank tellers with less than 2 years of experience. The study revealed that self-initiated walk-in applicants generally had higher performance 1 year after hire than newspaper advertisement or employee referral recruits, and this was atleast partially due to ability differences. A relationship between race and recruiting source was also found. Findings are discussed in terms of research on the link between recruiting source and employee work outcomes.
Lakshminarayanappa (1991)\textsuperscript{55} conducted a micro-level study to examine the personnel management policies and practices followed by the three regional rural banks in the Rayalaseema Region of Andhra Pradesh and suggested feasible ways and means to wipe out the dissatisfaction prevailing among the employees of these banks.

Siva Prakasam (1993)\textsuperscript{56} in his study opined that at micro-level, each District Central Co-operative Bank should formulate its own personnel policy covering the residual aspects which have not been covered under the special by-laws and Registrar's circulars. He conducted a micro-level study about the various personnel policies and practices being followed by the Co-operative Central Banks in Tamil Nadu state and suggested feasible ways to improve them.

Ramesh Kumar (1994)\textsuperscript{57} in his research work made a study on HR Practices in Co-operative Central Banks (CCBs) in Andhra Pradesh. He surveyed the personnel management practices that are prevalent in CCBs of Andhra Pradesh. He also examined recruitment and selection practices in CCBs, the training facilities available at CCBs, Promotion policies and career development of CCBs.

Shivaji (1994)\textsuperscript{58} in his study focussed on the restructuring the co-operative banks through various measures towards HRD so as to enable them to become more functional and effective in line with the new economic policy which aims at changing the profile of the nation's economy.
Upendra Sastry (1995) in his work “Training and Executive Development in State Bank of Hyderabad - A study” observed that with the adoption of social control and with the nationalisation of commercial banks the banking industry has witnessed a sea-change. He identified that through training banking personnel are made to become sensitive to the changing needs of the organisation and business environment. The study revealed that the supervisory staff require training in diversified fields like time management, stress management, performance budgeting etc. The clerical staff require training in house keeping, business development, management of non-performing assets and marketing of banking services. Further the sub-staff require training in customer service, marketing and other related areas.

Harihar Mahadevan, and Amirthrajan (1997) investigated the degree of job satisfaction among bank officers at the micro level. A structured questionnaire was administered to all junior and middle level officers of nationalised banks in a town located in South Tamil Nadu State. Analysis of data revealed that a considerable percentage of respondents were largely satisfied with their jobs. However, they were dissatisfied with certain factors that have close relationship with job satisfaction and those that do not. The study presented valuable information on various aspects such as promotion and transfer policies, and customer service and incorporated suggestions in these areas.

The study of Sodhi (1998) has outlined the industrial relations policies in India before and after the implementation of new economic policy in 1991. It is stated that there has been a greater concern shown
for the development of employees which fall in the realm of human resources. To find out the role of HRM and industrial relations policies and practices in the process of growth especially in the context of new economic policy, he conducted a case study of Oriental Bank of Commerce (OBC), a public sector bank. The study covered various aspects of HRM and industrial relations in the bank since its nationalisation in 1980. The study observed that: (i) the OBC has had fast-track growth over the years and emerged as number two public sector bank in the country mainly due to its employee-oriented policies, (ii) the main HR policies are: transparency, training and development, job redesign and enrichment, communication, employee-oriented placements, and welfare of the employees. Most of the decisions have been taken after detailed consultation with relevant employee groups and employee suggestions are invited on regular basis, (iii) the management followed a humanitarian approach even on matters of transfers. The welfare orientation has been unique. It is concluded that as a result of these policies, the management has enjoyed blissful industrial relations between 1980 and 1995. This case highlights that the significance of employee-oriented policies in maintaining cordial industrial relations in the organisation.

Jacob Mankidy (1988)62 in his paper has examined the recent development in the Indian Banking Industry which are directly affecting the Industrial Relations process. These are: introduction of information technology, human resource diversity, emergence of new value employees and changing orientation of banks’ trade unions.
Keeping these developments in view, the paper has underlined the need for changing orientations for the actors—the banks managements and trade unions which will facilitate effective performance of bank organisations.

Khanka (2000) has made an attempt to assess the human efficiency in the banks with the help of a new model. To fulfil the deficiencies inherent in per-employee business model and business per-rupee of establishment cost model a new model/approach viz., profitability index was used. To assess efficiency through profitability factor, the model suggested takes into account both income and expenditure aspects of the banks.

Lava Sanjaya (2002) studied "Human Resource Development with Special Reference to Performance of Staff Training Centres (STCs) of State Bank of India (SBI) in Hyderabad Circle". The study reviewed various training and development programmes conducted by the four STCs of SBI Hyderabad circle during 1997-98 to 2001-02. Also opinions on the effectiveness of these programmes elicited from a sample of 250 officers and 550 clerks have been analysed. The study observed that through some of these programmes were of routine type, some of them were useful and purpose-oriented to meet the current needs and requirements of banking industry. Majority of respondents expressed satisfaction about training inputs. They felt that these programmes enriched their knowledge and improved their problem-solving skills and thus they got immense benefit from these programmes.
Patel (2003)\textsuperscript{65} in his study made an attempt to compare HRD practices in high-performing Nationalised Banks and low-performing Nationalised Banks (NBs). Data were collected from 100 employees of each of high-performing and low-performing NBs' branches in Gujarat state. He observed that high-performing NBs were better than low-performing NBs with regard to various items of HRD general practices. As regards, training aspects, the study observed that high-performing NBs were more serious in following the training practices when compared to low-performing NBs. Thus, the study found that organisation under study differed from one another with regard to HRD as well as training practices.

2. NEED FOR THE PRESENT STUDY

From time to time a number of investigations have been carried out on this vital issue of HRM and development. These studies covered different types of organisations in industrial as well as service sectors at national and regional levels. But most of these studies have covered only some facets (factors) of HRM. Studies covering all dimensions of HRM – acquisition, development, reward, integration, and HRM outcomes – which provide a holistic view of HRM policies are very few. Moreover, in a vast country like India with varied resource base and socio-economic conditions, there is a need for more number of micro-level and organisation - specific studies to examine in detail the HRM policies and practices.
The Regional Rural banks (RRBs), started in India in October, 1975, are said to be more oriented towards rural society when compared to nationalised and private commercial banks. Though some studies have been made on HRM in commercial banks, studies on HRM in Regional Rural Banks are scanty. Hence, there is a need to conduct in depth studies about HRM policies and practices in these RRBs. It is in this context that the present study has been undertaken to examine the HRM policies and practices in Pinakini Grameena Bank, a RRB located in Nellore district of Andhra Pradesh state. It is hoped that the present investigation relating to HRM in Pinakini Grameena Bank will be a gap filling one and an useful addition to the existing literature on the subject of HRM.

In the present study, the researcher made an attempt to examine the policies and practices of HRM in Pinakini Grameena Bank in the following functional areas:

1. Acquisition : (i). Job Analysis;
   (ii). Human Resource Planning;
   (iii). Recruitment and Selection; and
   (iv). Induction and Placement.

2. Development : (i). Performance Appraisal;
   (ii). Training and Development;
   (iii). Promotions; and
   (iv). Transfers.


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4. Integration:
   (i) Discipline and Code of conduct;
   (ii) Grievance Management;
   (iii) Union-Management Relations; and
   (iv) Employees' Participation in Management.

5. HRM Outcomes:
   (i) Job Satisfaction; and
   (ii) Productivity.

3. OBJECTIVES OF THE STUDY

   The specific objectives of the present study are:

   (i) to analyse the acquisition function in Pinakini Grameena Bank (PGB);

   (ii) to review the policies and practices of PGB with regard to development function;

   (iii) to examine the reward function in PGB;

   (iv) to study the integration function and HRM outcomes in PGB.

4. HYPOTHESES

   Keeping in view the preceding objectives of the study the following hypotheses are postulated for testing:

   (i) Growth in staff strength in PGB is not significant.

   (ii) There is no significant difference among categories of employees with regard to various aspects of acquisition function in PGB.

   (iii) Variations between categories of employees as regards performance appraisal, training and development, promotion and transfer policies and practices of PGB are not significant.
(iv). Significant variation is not observed between categories of employees with regard to reward function in PGB.

(v). Inter-category variations with regard to various aspects of integration function in PGB are not significant.

(vi). There is no significant difference in satisfaction levels between satisfied and dissatisfied groups of employees with regard to various job satisfaction factors.

(vii). There is no significant temporal growth in productivity of PGB.

5. METHODOLOGY

(i). Sample Design

Pinakini Grameena Bank has been selected for the present study for the reasons of proximity, acquaintance and resource constraints of the researcher. In order to draw a sample of employees for opinion survey the list of employees working in PGB as on 31-03-2002 was obtained from the Bank’s records at head office. As on that date, the actual number of employees in PGB was 479, consisting of 211 officers (73 Area/Senior Managers and 138 Branch Managers/Officers), 186 clerk-cum-cashiers and 82 sub-staff. As the main focus of the study is to elicit opinion of only officers and clerical staff of PGB about HRM policies and practices, sub-staff numbering 82 have been excluded from the study. Thus the universe for the study comprises only 211 officers and 186 clerk-cum-cashiers of PGB. 25 per cent of officers (i.e., 25 per cent of Area/Senior Managers and 25 per cent of Branch
Managers/Officers) and 25 per cent of clerical staff have been selected as sample by using the stratified random method. Thus, the total sample size for the study is 100 employees consisting of 18 Area/Senior Managers, 35 Branch Managers/Officers and 47 Clerk-cum-cashiers. While selecting the sample respondents, care has been taken to provide adequate representation to employees working in different places. The sample design is given below:

**SAMPLE DESIGN**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Category</th>
<th>Total No. of Employees</th>
<th>Sample Employees</th>
<th>Percentage ( % ) total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Officers:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Area/senior Managers</td>
<td>73</td>
<td>18</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>(b) Branch Managers/Officers</td>
<td>138</td>
<td>35</td>
<td>25%</td>
</tr>
<tr>
<td>2.</td>
<td>Clerk-cum-Cashiers</td>
<td>186</td>
<td>47</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>397</strong></td>
<td><strong>100</strong></td>
<td><strong>25%</strong></td>
</tr>
</tbody>
</table>

(ii). Data Base

Survey method has been adopted for the study. The study is based on both Primary and Secondary data. The primary data required for the study have been collected from the sample employees with the aid of a structured questionnaire designed for the purpose. The questionnaire used for collection of information from respondents covered various aspects of HRM policies and practices in PGB. To elicit opinions of the respondents on these aspects, a five-point scale based on
Likert's summated rating scale has been constructed. The secondary data needed for the study have been collected from Annual Reports, Records, Circulars and Manual of Service Regulations of PGB. Also other published and unpublished sources of information have been consulted.

(iii). Tools of Analysis

Data collected through the questionnaires and other sources have been scrutinised so as to appraise the quantitative and qualitative aspects of the data before these are passed for tabulation. After tabulation of data, the data have been analysed by using simple statistical techniques like averages, ratios and percentages. Other statistical tools like Linear Growth Rates, ANOVA, Rank Correlation Chi-square Test and Scale Products Values have also been used for analysis and interpretation of data at appropriate places.

6. LIMITATIONS

1. The first limitation of the study is inadequacy of information and data in the bank official records. Pinakini Grameena Bank is not maintaining complete and systematic records to obtain information relating to all aspects of HRM policies and practices. Therefore, the analysis is confined to the data and information that could be gathered from bank records which are made available to the researcher.
2. The second limitation is regarding accuracy of data obtained through questionnaire. In an attitudinal survey, bias in expression of opinions cannot be ruled out. However, due care has been taken to minimise the element of bias to the extent possible.

3. Finally, this is a micro-level, and organisation-specific study aimed at examining the HRM policies and practices in PGB. The findings of the study are based on information collected and responses given by the sample employees to the items in the questionnaire. Therefore, the findings and conclusions cannot be generalised.

Inspite of these limitations, it is hoped that the present study will be useful for policy formulation and implementation.

7. PLAN OF THE STUDY

The thesis is organised into seven chapters as follows:

Chapter - I : HUMAN RESOURCE MANAGEMENT - AN OVERVIEW : It focuses on concepts and theoretical frame work of human resource management.

Chapter - II : SELECT REVIEW OF LITERATURE AND METHODOLOGY: This chapter provides select review of earlier studies and methodology of the present study.

Chapter - III : PROFILE OF PINAKINI GRAMMENA BANK AND SAMPLE RESPONDENTS : In this chapter profile of PGB and socio-economic characteristics of sample employees are described.
Chapter - IV : ACQUISITION: This chapter examines acquisition function in PGB and opinions of sample employees in this regard.

Chapter - V : DEVELOPMENT: This chapter focuses on PGB's policies and practices with regard to development function in terms of performance appraisal, training and development, promotions and transfers and employees' opinions on these aspects.

Chapter - VI : REWARD: In this chapter reward function in PGB and opinions of sample employees on reward function are presented.

Chapter - VII : INTEGRATION AND HRM OUTCOMES : In this chapter integration function and HRM outcomes in PGB are examined. Also opinions of sample employees on these aspects are presented.

Chapter - VIII : SUMMARY OF FINDINGS, CONCLUSIONS AND SUGGESTIONS : In this chapter, summary of findings and conclusions of the study and suggestions emanating from the study are presented.
REFERENCES


