CHAPTER III
RESEARCH DESIGN

3.1 INTRODUCTION

This chapter deals with the research design selected for the purpose of the study. It describes the hypothesis, sample design and presents the background of the selected banks for the study. It also defines the tools and techniques applied to measure the variables and their relationships.

There are many techniques for investing undefined research problems. However the purpose, rather than technique, determines the research design of a study. An exploratory research provides greater understanding of a concept or crystallizes a problem rather than providing precise measurement or quantification. The focus exploratory research is on observations, meaningful characterizations, interpretation and other expressive descriptions. (Zikmund G. William, 2003)

The purpose of this study is to explore the nature of HRD practices that exist in Indian Public and private sector banks and their impact on the managerial effectiveness and also to correlate them in order to find out the relationship between them.

The understanding of different HRD practices would require comparative study of practices in the banks. The researcher would have to understand what practices have been effective and conditions under which they are successful, and how they integrate with the total system in a fast changing scenario.
As per the discussion above we can now conclude that the purpose of the study may be categorized as exploratory study.

The study of review of literature explored that major chunk of research in India was emanated from descriptive data and experience sharing which did not serve certain practice oriented concerns. The very few systematic empirical research in the scientific paradigm has been carried out in HRD in banking sector.

The issue undertaken to investigate was impact of HRD practice on managerial effectiveness in public and private sector banks. To one end HRD practices is viewed in terms of Role development, Performance appraisal, Performance counseling, Potential appraisal, Career planning and development, Training, Organizational development. On the other hand Managerial Effectiveness is viewed in terms of Belief about Subordinates, Innovation and creativity Assessment of tasks, Planning and Co-ordinating, Motivating and Reinforcing, Managing conflict, Communication, Discipline/Example setting, Client management, Control function, Decisions Making/Problem Solving, Mutual Understanding, Empowerment, Training and Development, Delegate, organizing. It is expected to have significant difference between public and private sector banks. As both the dimensions required depth knowledge both theoretical as well as practical, only managerial level (with three years experience) were considered as respondents.

3.2 PROBLEM STATEMENT

The pace of change and the uncertainty about how markets will evolve has made it increasingly important for companies to be aware of the HRD practices they participate in and to understand the roles that they play. The ability to continuously learn the evolving bank dynamics, coupled with competence in aligning the HRD practices to changing requirement, is one of the key sources of competitive advantage in present context. But
sometimes, despite the ability and competence, the banks fail to align their HRD practices with the fast changing requirement due to a number of context specific factors like infrastructure, technology, attitude, etc. Also, the identification and analysis of the issues relating to management, employees and customers became essential for developing an effective and strategically aligned HRD practices. It has been observed that the banking sector spend a huge amount of money each year on developing the technical and soft skills of their employees but still not in position to derive strategic benefits from their HRD practices. Therefore, there is a great need to research the challenges in the existing HRD practices in the banking sector in India. This research is aimed at determining and studying the impact of HRD practices on managerial effectiveness.

3.3 RESEARCH QUESTIONS

Based on the research objectives following research questions have been identified which will lead to formulation of research hypothesis.

- IS there any difference in the HRD practices followed in the Indian public and private sector banks?

- What are the enablers and barriers of implementation of HRD practices in Indian public and private sector banks?

- What is the relationship between the HRD practices and employees managerial effectiveness?

- Is there any difference in the relationship between the HRD practices and employees managerial effectiveness in Indian public and private sector banks?

- What are the strategies for effective implementation of HRD practices in banks?
• What are the strategies for integrating HRD practices and managerial effectiveness?

3.4 RESEARCH HYPOTHESIS

Based on the literature review of empirical and theoretical studies on HRD practices in general and banking sector in specific, following hypothesis have been formulated.

**Hypothesis I**: There is a significant difference in the HRD practice followed in public and private sector banks.

**Hypothesis II**: There is a significant difference in the managerial effectiveness among the employees in public and private sector banks.

**Hypothesis III**: Role development (dimension of HRD practices) is significantly correlated with managerial effectiveness in public and private sector banks.

**Hypothesis IV**: Performance appraisal (dimension of HRD practices) is significantly correlated with managerial effectiveness in public and private sector banks.

**Hypothesis V**: Performance counseling (dimension of HRD practices) is significantly correlated with managerial effectiveness in public and private sector banks.

**Hypothesis VI**: Career planning and development (dimension of HRD practices) is significantly correlated with managerial effectiveness in public and private sector banks.

**Hypothesis VII**: Potential appraisal (dimension of HRD practices) is significantly correlated with managerial effectiveness in public and private sector banks.

**Hypothesis VIII**: Training (dimension of HRD practices) is significantly correlated with managerial effectiveness in public and private sector banks.
Hypothesis IX: Organizational development (dimension of HRD practices) is significantly correlated with managerial effectiveness in public and private sector banks.

Hypothesis X: The HRD practices operationalized (Role development, Performance appraisal, Performance counseling, Performance appraisal, Career planning and development, Training, Organizational development) are predictors of managerial effectiveness in public and private sector banks.

3.5 REASONS FOR SELECTING THESE SIX BANKS FOR THE STUDY

Various HRD practices researches have taken place and in various sectors. Very few studies have been done in the banking sector, studies have not actually performed comparison between the public and private sector banks and without comparison no meaningful conclusion can be drawn.

1) The selected banks are one of the leading public and private sector banks having vast branch network and customers throughout the country. Some of them are oldest banks and have come a long way from pre-independence to post-independence then to liberalization they have witnessed a sea of changes.

2) Another reason for selecting these banks is to find out the difference in the attitude and approach of the employees of the two sectors towards the customers.

3) The present study is concern with the study of HRD practices and few of these banks are pioneer in the field as far as implementations of these practices are concern.

4) There presence in the country is felt by large number of branches not only in the major cities but also in the remote areas. The services provided by these banks
are responsible for making the standard of life better of an average Indian through their services like loans, savings, credits etc.

5) Some of the selected private sector banks are those which came into existence post liberalization and therefore they have a great influence of globalization and foreign practices on their culture and day-to-day functioning.

6) Managers are confronted with ever increasing complexity. The movement from inward looking, controlled economy to outward looking, market oriented globalised economy marked the bull work of the economic transition. Managers are living in the world where unprecedented change is only constant reality.

3.6 BRIEF PROFILE OF SELECTED BANKS

The present study is been conducted in the six leading banks of the country among which three are Indian public sector banks and three are Indian private sector banks.

All the selected banks have nation wide presence and wide range of customers.

BANKS UNDER STUDY (ALL 6)

Bank A

Bank A is India's largest bank amongst all public and private sector banks operating in India. The bank traces its origin to the first decade of the 19th century. The Government of India nationalized the bank A in the year 1955. It is India's largest commercial bank. The bank has been striving sincerely to adhere to the efforts of providing utmost customer satisfaction to the best possible extent. It has the highest number of branches amongst all public and private sector players operating in India. The Bank A has 14 Local Head Offices and 57 Zonal Offices are located at important cities spread throughout the country
it operates with more than 15,000 branches within India and staffed by nearly 220,000 employees, it also owns majority stakes in six associate banks. Bank A has more than 80 offices in nearly 35 other countries, including multiple locations in the US, Canada, and Nigeria. The bank has other units devoted to capital markets, fund management, factoring and commercial services, credit cards, and brokerage services. The Reserve Bank of India owns about 60% of Bank A. It has been forced to revamp its operations since competition was introduced into the country's commercial banking system. As part of that effort, bank A has been rolling out its own network of automated teller machines, as well as developing anytime-anywhere banking services through Internet and other technologies. It also has taken advantage of the deregulation of the Indian banking sector to enter the bank assurance, assets management, and securities brokering sectors.

**Bank B**

Bank B is a state owned financial company located in New Delhi. In 1895 it commenced its operations in Lahore. It has the distinction of being the first Indian bank to have been started solely with Indian capital that has survived to the present. Today, the Bank is the second largest government owned commercial bank in India with about 5000 branches across 764 cities. The bank has been ranked 248th biggest bank in the world by the *Bankers Almanac*, London. With over 56 million satisfied customers and 5002 offices, it has continued to retain its leadership position amongst the nationalized banks. The bank enjoys strong fundamentals, large franchise value and good brand image. Besides being ranked as one of India's top service brands, bank B has remained fully committed to its guiding principles of sound and prudent banking. Apart from offering banking products, the bank has also entered the credit card & debit card business; bullion business; life and non-life insurance business; Gold coins & asset management business, etc. It has always looked at technology as a key facilitator to provide better customer service and ensured
that its ‘IT strategy’ follows the ‘Business strategy’ so as to arrive at “Best Fit” anytime anywhere’ banking facility to all customers including customers of more than 3000 rural & semi urban branches. The bank has also been offering Internet banking services to the customers of CBS branches like booking of tickets, payment of bills of utilities, purchase of airline tickets etc. The Bank has started several innovative initiatives for marginal groups like rickshaw pullers, vegetable vendors, dairy farmers, construction workers, etc. Under Branchless Banking model, the Bank is implementing 40 projects in 16 States. Backed by strong domestic performance, the bank is planning to realize its global aspirations. Bank continues its selective foray in international markets with presence in 9 countries.

Bank C

Bank C was inaugurated by the Father of the Nation, Mahatama Gandhi, on November 11, 1919. Started as a limited company in Mumbai, it was one of the few Financial Commercial banks in India. Until 1947, it had only 4 branches - 3 in Mumbai and 1 in Saurashtra, all concentrated in key trade centers. Catering to all the sectors of the society, be it agriculture, industry, trade and commerce, services or infrastructure, the bank has also played a major role in rendering services to the financial needs of every section. Apart from this, the bank also extended financial support to education, housing and trade sector. It was in 1975, that the bank C was nationalized. It is a Public Sector Unit with 60.85% Share Capital held by the Government of India. It is having more than 600 branches and extension counters all over the country. Nearly 351 ATMs are installed. Online Tele banking facility is available for its customers. Today there are more than 26,000 employees in Union Bank of India. In addition to regular banking facilities of Union Bank of India, today customer can also avail variety of other services like cash management service, insurance, mutual funds, Demat from the Bank. the year 2007, Bank...
C made its presence felt in the international arena by opening representative offices in the destinations of United Arab Emirates, Abu Dhabi, Shanghai and Peoples Republic of China. Besides, it chose Hong Kong as the destination to open its very first branch outside India.

**Bank D**

Bank D was established in 1955 by the World Bank, the Government of India and the Indian Industry, for the promotion of industrial development in India by giving project and corporate finance to the industries in India. It is the 4th largest bank in India and the largest private sector bank in India by market capitalization. The bank also has a network of 2,016 branches (as on 31 March 2010) and about 5,219 ATMs in India and presence in 18 countries, as well as some 24 million customers (at the end of July 2007). ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and specialization subsidiaries and affiliates in the areas of investment banking, life and non-life insurance, venture capital and asset management. Bank D is also the largest issuer of credit cards in India. The Bank is expanding in overseas markets and has the largest international balance sheet among Indian banks. Bank D now has wholly-owned subsidiaries, branches and representatives offices in 19 countries, including an offshore unit in Mumbai. This includes wholly owned subsidiaries in Canada, Russia and the UK, offshore banking units in Bahrain and Singapore, an advisory branch in Dubai, branches in Belgium, Hong Kong and Sri Lanka, and representative offices in Bangladesh, China, Malaysia, Indonesia, South Africa, Thailand, the United Arab Emirates and USA. Overseas, the Bank is targeting the NRI (Non-Resident Indian) population in particular.

**Bank E**
It is a major India financial company based in Mumbai, incorporated in August 1994, after the Reserve Bank of India allowed establishing private sector banks. The Bank was promoted by the a premier housing finance company (set up in 1977) of India. It was among the first companies to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector. The Bank commenced its operations as a Scheduled Commercial Bank in January 1995 with the help of RBI's liberalization policies. Bank deals with three key business segments - Wholesale Banking Services, Retail Banking Services, and Treasury. It has entered the banking consortia of over 50 corporate for providing working capital finance, trade services, corporate finance and merchant banking. It is also providing sophisticated product structures in areas of foreign exchange and derivatives, money markets and debt trading and equity research. The Bank is headquartered in Mumbai. The Bank has a network of 1,725 branches and 4,232 ATMs spread in 771 cities across India. All branches are linked on an online real-time basis. Customers in over 500 locations are also serviced through Telephone Banking. The Bank has a presence in all major industrial and commercial centers across the country. Being a clearing/settlement bank to various leading stock exchanges, the Bank has branches in the centers where the NSE/BSE has a strong and active member base.

**Bank F**

Axis Bank was the first of the new private banks to have begun operations in 1994, after the Government of India allowed new private banks to be established. The Bank operates in four segments: treasury, retail banking, corporate/wholesale banking and other banking business. The treasury operations include investments in sovereign and corporate debt, equity and mutual funds, trading operations, derivative trading and foreign exchange operations on the account, and for customers and central funding. Retail banking includes lending to individuals/small businesses subject to the orientation, product and granularity
criterion. It also includes liability products, card services, Internet banking, automated
teller machines (ATM) services, depository, financial advisory services, and non resident
Indian (NRI) services. The corporate/wholesale banking segment includes corporate
relationships not included under retail banking, corporate advisory services, placements
and syndication, management of publics issue, project appraisals, capital market related
services, and cash management services. The Bank today is capitalized to the extent of
Rs. 407.44 crores with the public holding (other than promoters and GDRs) at
54.51%. The Bank's Registered Office is at Ahmedabad and its Central Office is located at
Mumbai. The Bank has a very wide network of more than 1042 branches (including 56
Service Branches/CPCs as on 30th June 2010) with 21,640 Employees. The Bank has a
network of over 4474 ATMs (as on 30th June 2010) providing 24 hrs a day banking
convenience to its customers. This is one of the largest ATM networks in the country. It
also has branches in Singapore, Hong Kong, and Dubai. The Bank has strengths in both
retail and corporate banking and is committed to adopting the best industry practices
internationally in order to achieve excellence.

3.7 RESEARCH METHODOLOGY

The research methodology used in this study is shown in Fig 3.1 and uses combination of
quantitative as well as qualitative techniques. Questionnaire survey method has been
used to obtain empirical data for the study which is most popular instrument in collecting
data (Pokharel, 2005; Ramdas & Bennet, 2005; Vos, Yeh, Carter & Tagg, 2007). The data
has been analyzed using SPSS statistical package version 16.

Results obtained from the analysis is used to derive learning's, suggest recommendations
and interventions for better managerial effectiveness through HRD practices.
Figure 3.1 Research Methodology

1. Formulation of Research Area
2. Literature Review
3. Identification of variables and conceptualization of research design
4. Questionnaire administration
5. Quantitative Inputs
6. Hypothesis testing using statistical methods
7. Synthesis of Results
8. Recommendation & conclusion
3.8 AREA OF THE STUDY

The present study was conducted in the New Delhi and NCR (National Capital of Region) branches of the banks and also in their staff colleges as they are located in the same area. Delhi being the capital of the country all these banks have many branches in and around Delhi.

3.9 UNIVERSE OF THE STUDY

The universe of the study comprises of all the employees working in the banks in India. It included all the employees of the managerial level. As Delhi is the national capital as well as the city of 21st century, being a cosmopolitan city it has a good representation of diversified culture. It has all the major branches of these banks as well as the staff colleges of public sector banks.

3.10 SAMPLING UNIT AND SAMPLING FRAME

It comprises of managers working in the Delhi and NCR branches of these six banks termed as Bank A, Bank B, Bank C, Bank D, Bank E, Bank F,

Sample consists of 356 respondents working in SIX different banks, three belonging to public sector and three belonging to private sector. A bird eye view of the sample distribution is as shown in the table
Total Respondents

<table>
<thead>
<tr>
<th>Selected Bank</th>
<th>Bank A</th>
<th>Bank B</th>
<th>Bank C</th>
<th>Bank D</th>
<th>Bank E</th>
<th>Bank F</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Respondents</td>
<td>59</td>
<td>60</td>
<td>59</td>
<td>60</td>
<td>61</td>
<td>57</td>
</tr>
</tbody>
</table>

It was found that there were around 850 branches of these six banks in and around Delhi. Each bank on an average has a population of 2.5 managers on an average which means a population of 1785 managers. Then frequency distribution according to experience was applied on the managers from this population. 675 managers were removed as they were freshers. Which gave a population of 1785-675 = 1110 out of this 1110 according to the information gathered from the regional head office 232 managers were not in apposition of writing confidential reports, employee assessment and performance appraisal of their juniors. Which gave us the population of 878 managers eligible for our study. Now to choose a sample from this it was concluded to assign a confidential level of 99% and measurement error level (half width = 5%) then according to the following formula:

\[ n = \frac{z^2p(1-p)}{h^2} \]

Where \( n \) = desired sample size

\( z \) = value of ‘z’, (standard Normal variate) for confidence level

\( h \) = half-width

In this sample size determination, the following values were used

\( z = 2.58 \) (for 99%. Confidence level)

\( h = 5\% \) (0.05)
To determine the higher possible sample p value of 0.5 was used.

\[ n = \frac{2.58^2 \times 0.5 (1-0.5)}{0.05^2} \]

\[ n = 665.64 \] for infinite population

Now, since the total population of eligible managers for the present study was 878, researcher worked out the sample size using the following formula

\[ n_c = \frac{N \times n}{N + n - 1} \]

Putting \( n = 665.54 \), \( N = 878 \)

\[ n_c = 378 \]

For the present study 378 managers were contacted from selected six banks but data of 356 could be gathered. The sample include all department apart from HR department. The purpose of including managers other than HR function was with expectation to give a reasonable and honest account because their personal involvement in policy formulation would be much lesser than the HR Department. The sole purpose of this sampling was to get honest picture of HRD practices of the organization.

### 3.11 MEASURES USED IN THE STUDY

The present study employed the following measures:

#### 3.11.1 MEASURES OF HRD PRACTICES

For the purpose of measuring Human Resource Development practices, questionnaire developed by Vijila Kennedy (2007). The questionnaire has seven dimensions.

1) **Role development**: The item focused on to new role is assigned with prior orientation, knowledge, skills, different roles are not interlinked, employees are informed about various expectation that others have with them.
2) **Performance Appraisal**: Cascio defines it as ‘an exercise in observation and judgment, it is a feedback process and it is an organizational intervention. It is a measurement process as well as intensely emotional process. Above all it is an inexact, human process. While it is fairly easy to prescribe how the process should work, description how it actually works in practice is rather discouraging.’ Armstrong and Baron define performance appraisal as ‘strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributions.’ As they point out, it is strategic because it is concern with the broader issues facing the business and general direction towards which it seeks to go to accomplish the long term goals. It is integrated because of four reasons

- It is concern with vertical integration
- It involves functional integration.
- It embraces HR integration
- It seeks to integrate individual needs with those of the organizations

In the present study the items focused on to measure and evaluation of employees past performance against standard performance and also on how performance appraisal is related to training and promotion and growth.

3) **Performance counseling**: It refers to the process of advising an employee or preferably in most cases, listening to his problems and enabling him to find from his own thinking and talking a solution for it which is satisfactory to himself. The items focused on how performance counseling improves performance work as well as non work related issues are also solved, helps them to understand their strength and
weakness. (Harrell). It relates to the method of understanding and helping people who are emotionally upset. Thus, it can also be defined as a discussion of an emotional problem with an employee with the general objective of minimizing it (Davis). Counseling deals with emotional problems and relate to ‘trouble of the heart’ rather than ‘bother on the hands’

4) **Potential Appraisal**: Rao defines Potential appraisal as an assessment of the extent to which the individual has the potential to perform the new task or new job. It can be simple as well as complex. It is simple when individual is already performing most or all the task in the present position. In this context the evaluation of present performance forms a valid index of future potential. Potential appraisal becomes complex when individual is considered for a new job. Here, his past performance cannot indicate his potential for the new job. The only way out to assess his potential for the new job would be to stimulate it and observe his performance. This is accomplished at assessment centers.

5) **Career planning and Development**: Career development relates to the readiness for progression through a series of positions during an individual’s working life. Career issues emerge as a result of increasing stress of the organization on developing its human resources and growing expectations of the individuals regarding what they need to do to facilitate the career growth as they become more educated. (Beatty and Schneir ) differentiate career development from career planning . According to them , Career development refers to systematic process of guiding the movement of human resource of an enterprise of different hierarchal positions and layers .While career planning embodies activities which help in making choices with respect to occupation, organizations, job assignment and self development measures. In the present study items focused on are identifying career needs, managing them through
identified path, placing them on job that matches their capabilities allowing individual
to achieve their career goal.

6) Training : The items focused on set of activities to increase individual skills,
efficiency, training need is identified and training given according to need so that they
perform their job successfully.

7) Organizational Development : Organizational development is an effort (1) planned,
(2) organization-wide, and (3) managed from the top, to (4) increase organization
effectiveness and health through (5) planned interventions in the organization’s
‘process’ using behavioral science knowledge (Beckhard). Organizational
development is a response to change, a complex educational strategy intended to
change the benefits attitude values and structure of organizations so that they can
better adapt to new technologies, markets and challenges and the dizzying rate of
change itself. (Bennis). In the present study the items focused on how change is
implemented, how individual and organization goal is intricate, are change planned,
employee participation is encouraged for implementing change.

Each of these dimensions consist of eight or seven statements. The 5-point Likert scale
ranging from 1 for strongly disagree to 5 strongly agree was used to rate the extent to
avoid bias. The higher the Score, the more the strength of the HRD practices. The
reliability of the questionnaire was empirically verified through the calculation of
Cronbach’s alpha coefficient which was 0.74. Split reliability test yielded a score of
0.95. Kaiser Meyer-Olkin (KMO) measure of sampling adequacy was larger than 0.74 for
all the dimensions of HRD practices.

In order to further check the rigor of the HRD questionnaire, principal component
analysis with Varimax Rotation was carried out for the HRD questionnaire to determine if
they load on dimension variables as formulated. Thus factor analysis was performed (1) separately for each dimension to see if all items constituting it contributed to the dimension, and (2) using all the dimensions to check if all were relevant.

In the rotated component matrix, the variables were listed in order of the size of the factor loadings. When principal component analysis with Varimax Kaiser Normalization was carried out, all the seven dimensions came out as distinct variables highlighting the significance of all seven HRD dimensions.

### Table 3.1  Factor Analysis for Dimensions of HRD

<table>
<thead>
<tr>
<th>HRD Dimensions</th>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Development</td>
<td>0.86</td>
</tr>
<tr>
<td>Performance Counseling</td>
<td>0.85</td>
</tr>
<tr>
<td>Role Development</td>
<td>0.84</td>
</tr>
<tr>
<td>Training</td>
<td>0.83</td>
</tr>
<tr>
<td>Performance appraisal</td>
<td>0.80</td>
</tr>
<tr>
<td>Potential appraisal</td>
<td>0.79</td>
</tr>
<tr>
<td>Career planning</td>
<td>0.76</td>
</tr>
</tbody>
</table>


The items were scored on 5-point scale with response category being:

1. Strongly disagree
2. Disagree
3- Undecided  
4- Agree  
5- Strongly Agree  

The scale consists of 54 items on seven dimensions. The representation of item number is given below.

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>ITEM NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Role development</td>
<td>8,15,29,36,43,49,1</td>
</tr>
<tr>
<td>2) Performance Appraisal</td>
<td>2,9,16,17,23,37,44,50</td>
</tr>
<tr>
<td>3) Performance counseling</td>
<td>3,10,31,38,45,51,24,22</td>
</tr>
<tr>
<td>4) Potential Appraisal</td>
<td>4,18,25,32,30,39,46,52</td>
</tr>
<tr>
<td>5) Career planning and Development</td>
<td>5,12,19,26,33,53,40,55</td>
</tr>
<tr>
<td>6) Training</td>
<td>6,13,20,27,34,41,54,35</td>
</tr>
<tr>
<td>7) Organizational development</td>
<td>7,14,21,28,42,47,48</td>
</tr>
</tbody>
</table>
3.11.2 MEASURE OF MANAGERIAL EFFECTIVENESS

The questionnaire used for measuring Managerial effectiveness was developed by Dr. Kamaljeet Kaur (1991) for research project “Determinants of managerial effectiveness: A study of Indian organization management by Indians, Japanese and American managerial system”.

Dr. Kaur defines Managerial effectiveness as ‘Managerial effectiveness’ is the extent to which a manager carries out the activities in the organization to achieve the organizational goals and make the organization work effectively and more productively.

This questionnaire was standardized and split half reliability was calculated to be 0.86.

The ME questionnaire consist of 45 items including the following variables.

1) **Belief about Subordinates**: What a manager thinks regarding his/her subordinates work. Whether he/she has belief or faith in his subordinates regarding important issues or matters. Does he always confine or welcome the suggestion from his subordinates.

2) **Innovation and creativity**: A key challenge for organization is to have more creativity and innovation. A simple, but generally recognized definition of creativity is that it involves combining responses or ideas of individual or group in the novel way.

3) **Assessment of tasks**: One of the tasks of the manager is to assign and tasks for fellow colleagues. How he/she manages and successfully assigns the work to be done by subordinates would be the responsibility of the manager. While assigning tasks, he/she satisfies and makes comfortable every subordinate.
4) **Planning and Co-ordinating** : Planning is an attempt to shape the future. You decide where you want to arrive and how you will provide the resource you will need to get there. After planning next step is co-ordination of activity. In order to run the work smoothly, it is necessary to co-ordinate the activities of subordinates.

5) **Motivating and Reinforcing** : It makes people act or behave in the way they do. Both motivation and reinforcing are in a way responsible for making managers effective.

6) **Managing conflict** : Conflict may be sign of a healthy organization. An effective manager can reduce conflicts, both in the organization as well as between subordinates, through three principal ways: Peaceful co-existence, compromise, and problem solving.

7) **Communication** : It is one of the most important dimensions of organizational setting. People recognize need to communicate but find it difficult to do. An effective manager knows how to communicate with the employees and other people within or outside the organization and help them to overcome barriers to communication.

8) **Discipline/Example setting** : If an organization is to reach its goal there must be some form of discipline. Best discipline is self discipline. Most people like to do right thing. When people know what they should do they usually do it and cheerfully.

9) **Client management** : The duties of the manager are to deal rationally and objectively with the subordinates and the environment, helping the client to come out from crisis and situations leading to crisis, how to successfully handle the client and the client environment.
10) **Control function**: It is the medium by which directives are given, problems identified, motivation is encouraged and performance is monitored.

11) **Decisions Making/Problem Solving**: An effective manager helps his subordinated to improve their skills, to consider possible course of action to solve the problem and evaluate them. Both decision making and problem solving contribute a lot in helping to reach a manager at the level of effectiveness.

12) **Mutual Understanding**: The task of the manager is to deal with personnel, material and finance, in an organization. The ability is needed in a manager to understand all the elements of the organization needed to run it effectively. This needs a diagnosis by the manager and to understand the intricacy of the system.

13) **Organizing**: It is basically about who does what. It means depending responsibilities, building structures and developing relationships. The essential element is people and how they work together.

14) **Empowerment**: Conger and Kanungo (1988) define empowerment as a psychological construct. They suggest that empowerment is the process of fostering self efficacy, faith among employers. This implies both removing sources of powerlessness and providing employers with positive feedback and support.

15) **Training and Development**: The training programs in organizations develop specific skills, attitudes and capacity to maximize the individual’s job performance. An effective manager not only develops specific skills but also increase the opportunity of development being offered at all stages of working life.
16) Delegate: It is difficult it is the perhaps the hardest thing that managers have to do.

An effective manager not only gets his work done but can also use delegation to improve his subordinate’s performance.

The items were scored on 5-point scale with response category being:

5 - Always
4 - Usually
3 - Undecided
2 - Sometimes
1 - Never

The scale consists of 45 items on sixteen dimensions. The representation of item number is given below.

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>ITEM NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Belief about Subordinates</td>
<td>1,5,9,15,21</td>
</tr>
<tr>
<td>2 Innovation and creativity</td>
<td>2,10</td>
</tr>
<tr>
<td>3 Assessment of tasks</td>
<td>3</td>
</tr>
<tr>
<td>4 Planning and Co-ordinating</td>
<td>4,19,22,25</td>
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<td>5 Motivating and Reinforcing</td>
<td>6, 20,23</td>
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<tr>
<td>6 Managing Conflict</td>
<td>7,24,26</td>
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<tr>
<td>7 Communication</td>
<td>8,11,14,18,27,33,38,40</td>
</tr>
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</table>
3.12 TECHNIQUES OF DATA COLLECTION

The study of HRD practices and managerial effectiveness is complex in nature. Therefore data was collected through both primary and secondary sources for this study. Primary data was collected using close ended questionnaire, formal and informal talks with employees in banks.

Two set of questionnaires was used:

1. For studying the HRD Practices of the bank.

2. For studying the managerial effectiveness of the employees of the bank.

The Questionnaire contained 99 items, which were over the (1) HRD practices of the bank consists of 54 items, (2) managerial effectiveness consists of 45 items.
Both the questionnaire was in English.

Non probability incidental sampling technique was used. It is characterized by collecting data from first available individual of the population.

Copy of the questionnaire is in (Annexure No-1)

### 3.13 SECONDARY DATA

Secondary data was obtained from bank brochure, bank manuals, Government publications, Journals, Reports, Newspapers, Internet, Research Papers and Books and various libraries, such as, Library of Indian Council of Social Science & Research (ICSSR), Library of Indian Institute of Planning & Administration (IIPA), Library of IIT, Delhi, Library of BHU (Banaras Hindu University) Library of MNIT (Motilal Nehru Institute of Technology) Library of MONIRBA etc. to supplement, add and support the information collected.

### 3.14 PROCEDURE OF DATA COLLECTION

Tools used for primary data collection was structured questionnaire. There were two sets of questionnaire one for HRD practices and another for Managerial effectiveness. Data collection in all the six banks began with approaching various branches of these banks in and around Delhi. Permission was asked from the branch manager and then after informal talks with the managers questionnaire was given to them. The respondents were from managerial level with an assumption that they would possess an accurate and comprehensive perception of HRD practices employed.

The respondents were instructed to read the directions before filling the questionnaire. At the very outset the were assured of the confidentiality of their responses. Respondents
were assured that they need not mention their names and also that the study is not commissioned by their management and their participation is entirely on voluntary basis. The subjects were asked to answer all the statement as honestly and completely as possible and not to leave any items unanswered. Only after their doubts were clarified, the data collection began.

Apart from the bank branches the staff colleges of these banks were contacted and after the permission the questionnaire were given to the respondent as they were away from their office routine they agreed to fill the questionnaire.

Certain precautions were taken during the process of data collection. They are as given below:

a) Following the ethics of data collection in research, it was made sure, that the subjects were willing to take the test.

b) Rapport was established and maintained throughout the procedure of data collection.

c) Subjects were made confident that their identities would not be disclosed in any case.

d) To extent possible, an attempt was made to include people from all departments.

e) The subjects were told to give free and frank responses and the responses that came first to their mind.

3.15 DATA ANALYSIS

The analysis of data was carried out through the following steps:
1) All the incomplete questionnaire were removed.

2) Total 356 questionnaires were complete and were further processed for data analysis.

3) The data was coded and fed into computers using SPSS (Statistical Package for Social Sciences) as software for data analysis. The collected data was processed and analyzed with the help of SPSS package.

### 3.16 STATISTICAL TREATMENT OF THE DATA

After computation following statistical analysis were done.

1) Descriptive Analysis

2) Inferential Analysis

3) Correlation Analysis

4) Multiple Regression Analysis

1) **Descriptive Analysis**

It was basically done with an objective of analyzing the mean scores and the standard deviation scores of the six banks in public and private sector.

2) **Inferential Analysis**

The inferential statistics, which included the ‘t-test’ was computed to determine whether significant difference existed in the public and private sector banks on the dimensions of HRD practices and managerial effectiveness.

3) **Correlation Analysis**
In order to understand the relationship of independent variable (HRD practices) and dependent variable (managerial effectiveness) in both the public and private sector banks Pearson’s correlation coefficient was used.

4) **Multiple Regression Analysis** the purpose of regression analysis is to relate the dependent variable to a set of independent variables. Regression analysis partials out the effect of other variables and only significant relationship of the independent variable with the dependent variable emerges.

### 3.17 CONCLUDING REMARKS

In this chapter research design has been presented. Independent and dependent variables used in the study are listed. The details of research methodology, questionnaire design and its validity are discussed. Sample details are highlighted. The next chapter 4 discusses the empirical analysis of data and its interpretation.