CHAPTER V
DISCUSSIONS

5.1 INTRODUCTION

Human force has moved into the centre stage of banking in the recent years. Never before has the contribution of human resource to the success of banking been subjected to so much of debate and discussion. This situation has developed as a result of some fundamental change that has taken place, the most important of which is the pervasive and intensive competition that banks are facing today. To sustain the competitive advantage banks must have a commitment for improvement, innovation & change and the most important catalyst towards developing these qualities are human resource and their capabilities. It has become very important for the banks to recruit, care, train them on the ongoing basis to improve productivity, innovation and provide them conducive environment for personal growth. This makes the role of HRD ever so important in ensuring the success of business.

It is increasingly recognized that sound HRD policy of the banks will be able to develop the competencies of the personnel in the right direction. Thus, the best people to evaluate the competencies of bank personnel are the bank executive themselves working at different levels both in branches and central offices. It is they who closely evaluate the working capabilities and also the behaviour of the subordinates. The executives of the banks are responsible to maintain harmonious relations in the bank which help in achieving the targets laid down and to realize socio-economic development. This is possible only when they evaluate the competencies of their personnel (Rao, 1978)
In this chapter various HRD practices (selected for the study) is discussed in relation with managerial effectiveness of selected public and private sector banks, it also discusses various findings on the basis of objective and hypothesis of the study.

5.2 ROLE DEVELOPMENT

A person in an organization is surrounded by three other types of persons: Superior, Colleagues and subordinates. Besides, one has to interact with people from different positions, regulatory agencies and general public. Therefore, for success people must build pleasing and magnetic personality which helps in getting friendly cooperation from others. (Khera 1999).

The employee participation in decision making involves them in different HRD programs and also decision making processes and thus become part of the system in all aspects of the company’s operations. The real benefit of employee involvement can be derived only when their knowledge and competencies are continuously upgraded. They should not only be provided with opportunity for learning but also be involved in the activities where learning can be utilized. They should be able to study a sequence of operation tasks performed by them, plot on process analysis chart, find where problem exists, and make the needed improvement. (Reddy & Shanmugam, 1997)

Therefore it is in this context that present study has undertaken role development as one of the dimensions of the HRD practices and it was found that both public as well as private sector banks follow role development practice. It is interesting to note that there is a significant difference in the practices followed by both the sectors. Private sector
banks showed better role development practices than public sector banks as is evident from the higher mean value of private sector banks.

When the correlation between role development and dimensions of managerial effectiveness was performed it was found that in the public sector banks role development was positively and significantly correlated with conflict management and decision making aspect of managerial effectiveness indicates that if the employees are clear about the various role and also the bank management take proper care of their development then the employees manage their conflict themselves and in an effective manner it also helps them to take right decisions. Whereas the private sector banks showed positive and significant correlation with innovation and creativity, assessment of task, motivation, managing conflict, decision making and delegate this reveals that the in the private sector banks the role development activities for employees are well planned and so it results in better managerial effectiveness as it has positive and significant correlation with more dimensions of managerial effectiveness as compared to public sector banks. Role development activities increases the motivation as the Hygiene theories says that working on motivational factor results in job satisfaction. It also leads to better creativity among the employees which is a competitive edge for the private sector banks.

Role development has proved to be the predictor of organizing in the public sector bank. It reflects that if the role developmental activities are followed in the right manner in the public sector banks it results in better organizing.

In the private sector banks role development proved to be the predictor of innovation & creativity and also delegate this reflects that better role developmental activities leads to better creativity and delegation among the employees of the private sector banks. It is interesting to note that in the present study role development proved to be a negative
predictor of belief in subordinate in the private sector banks this means that in the private
sector banks the role development practices should be designed in such a manner that it
leads to a relationship of faith and trust among the superior and subordinates.

Thus it can be concluded that role development practices in the banks should be
implemented in accordance with the need of the employees that will result in better and
more effective environment.

5.3 PERFORMANCE APPRAISAL

Performance appraisal constitutes an important tool of Human Resource Management.
Employees performance at all levels have to be appraised on a continuous basis. Such
appraisal is vital for the growth of both the organization and the employees. The
organization have realized the vital role of performance appraisal and as such have
developed more reliable performance appraisal programmes (Arnold and Feldman, 1986)

Now a days organizations understand that performance appraisal as a corrective device
and an essential tool for improving employee abilities and potential. The scientific and
systematic performance appraisal recognizes and develops the performance of the
employees as well as finds a suitable position where he can prove his efficiency in
achieving the desired goals and objectives of the self and organization (Dudeja, 2000). It
acts as an instrumental value for extracting the best from the individual employees
towards the achievement of organizational goal.

The bank personnel should also plan their job in right direction for better performance.
They should take performance appraisal system seriously. The employees should perceive
the performance appraisal reports as an opportunity for future growth.
Therefore it is in this context that present study has undertaken performance appraisal as one of the dimensions of the HRD practices and it was found that both public as well as private sector banks follow performance appraisal practice. It is interesting to note that there is a significant difference in the practices followed by both the sectors. Private sector banks showed better performance appraisal practices than public sector banks as is evident from the higher mean value of private sector banks.

In the public sector banks dimensions of managerial effectiveness (decision making / problem solving and assessment of task) showed a positive and significant relationship with performance appraisal. It can be concluded that various aspects of performance appraisal followed by public sector banks leads better decision making and problem solving ability of the employees. In the private sector banks performance appraisal features showed significant and positive correlation with nine dimensions of managerial effectiveness. This shows that in the private sector banks performance appraisal is well linked with dimensions of managerial effectiveness this will lead to better performance, healthy relationship and conducive environment. Belief in subordinates was found to be significantly yet negatively correlated to performance appraisal. This indicates that the employees of the private sector banks should try to build friendly, congenial as well as relationship of trust with the subordinates.

It was also found in the study that performance appraisal is a predictor of number of dimensions of managerial effectiveness like empowerment, example setting, training, motivation, decision making for both the sectors of banks under study.

Therefore, the personnel of both the sectors of banks have to understand that the performance appraisal system performs the vital role in improving the managerial effectiveness of the employees. It is an important source of competitive advantage in its
own right, and requires due attention of HR professionals. The management of these banks should develop more reliable performance appraisal programmes and let the employees understand the basic purpose of these appraisal programmes.

5.4 PERFORMANCE COUNSELING

Performance appraisal does not serve the purpose of developing employees unless an effective system of performance counseling is introduced and practiced in the organization. Performance counseling can be defined as the help provided by a manager to his subordinates in analyzing their performance and other job behaviours in order to increase their job effectiveness. Performance counseling essentially focuses on the analysis of performance on the job, and on the identification of training needs for future improvement.

Performance counseling is a dyadic process. It is based on a relationship between two persons, a manager who is counseling and an employee who is a counselee it focus on establishing mutuality and confidentiality.

Performance counseling, (HRD practices) , when comparison was drawn between public and private sector banks the two sector showed a significant difference. Performance counseling are performed in better manner in private sector banks as is evident from higher mean value of private sector banks.

Correlation analysis showed performance counseling is positively and significantly correlated to decision making, training and development aspect of managerial effectiveness assessment of task is significantly yet negatively correlated. This can be concluded that in the public sector banks performance counseling leads to better decision making by the managers because counseling can lead to change in horizon, better
outlook, empathy which will help in better decision making. Performance counseling helps to know the training needs of the employees. Employee counseling can be explained as providing help and support to the employees to face and sail through the difficult times in life. At many points of time in life or career, people come across some problems either in their work or personal life and it starts influencing and affecting their performance and, increasing the stress levels of the individual. Counseling is about guiding, consoling, advising and sharing and helping people to resolve their problems whenever the need arises. Counseling is used by the experts to analyze the work related performance and behaviour of the employees to help them cope with it, resolve the conflicts and tribulations and re-enforce the desired results. It can not only lead to better skill development but over all development of the employees that will help them to perform their job in more effective and efficient manner.

Private sector banks shows positive and significant correlation between performance counseling (dimension of HRD practices) and motivation and reinforcement ,control functions , decision making , mutual understanding , assessment of task, training & development and discipline/example setting aspect of managerial effectiveness. This may indicate that counseling in private sector banks lead to better mutual understanding, right decision making and need oriented training programs are performed. It is very interesting to note that even though private sector banks Belief in subordinates is significantly yet negatively correlated to performance counseling. It can be said that both sectors should try to create a climate of trust and openness for effective counseling.
5.5 POTENTIAL APPRAISAL

In Indian organizations, it is normal practice to promote people on the basis of their past performance. Most of the organizations are hierarchical in nature. In such organizations, the functions and responsibilities depend upon the level at which the role is located in the organizational hierarchy. Employees have to perform all together different roles when they are promoted to new level. The past performance of an individual can only reflect whether he has been able to do the given job at a given level successfully or not and is an indicator of the future potential to the extent the two jobs are similar in functions.

It is with this inadequacy of the system of promotions based on performance appraisal, that a new system of developing employees for occupying higher positions has been developed and known as potential appraisal.

Therefore it is in this context that present study has under taken potential appraisal as one of the dimensions of the HRD practices and it was found that both public as well as private sector banks follow potential appraisal practice.

The private sector banks, when compared with public sector banks on the factor of potential appraisal (HRD practice) showed significant difference between public and private sector banks. Private sector banks showed higher mean value than public sector banks. The results indicate that potential appraisal are designed and performed in a better manner in private sector banks than that of public sector banks.

Pearson’s correlation coefficient analysis shows that potential appraisal is positively and significantly related to decision making dimension of managerial effectiveness this shows that decision regarding potential appraisal of the public sector banks are in consensus with the employees.
Whereas client management and innovation and creativity are negatively related to potential appraisal this shows that even when the employees are able to manage their clients in an effective manner this quality is not considered during their potential appraisal. As in the banking sector most of the jobs are monotonous and precise in nature place for innovation and creativity is very less that is why it shows a negative correlation between potential appraisal and innovation in the public sector banks as this talent is hardly utilized or considered important for future roles.

In the private sector banks motivation and reinforcement, control functions, decision making, empowerment, assessment of tasks, mutual understanding, discipline and example setting, managing conflict and training & development are positively and significantly correlated to potential appraisal aspect of HRD practices. This can be assumed that the potential appraisal of private sector banks are formulated in such a manner that it helps in developing the managerial effectiveness. Superiors in the private sectors do not have much faith in their subordinates as it is reflected in the analysis that belief in subordinate is significantly yet negatively correlated to potential appraisal.

The multiple regression showed that in the public sector banks potential appraisal proved to be positive predictor of organizing this reflects a very good picture that various mechanisms, qualities and systems required for the operations of potential appraisal systems are there in the public sector banks and this can be concluded that potential appraisal if practiced in the proper manner in the public sector banks can lead to better employees efficiency and effectiveness.

In the private sector banks potential appraisal proves to be positive predictor of control and training this reflects that potential appraisal enhances better control system in the private sector banks as superiors are aware various potentials of their employees they can
use these talents in the required manner and if the potentials are used effectively it give way to better control. Another aspect of managerial effectiveness that proved potential appraisal as positive predictor was training in the private sector banks. This reflects that appraisal systems should also provide training opportunities for developing the individual. Training department should also attempt to organize in company training whenever a sizeable number of employees have been found to lack certain common qualities. Training department should continuously analyse the potential appraisal data of the employees and design or sponsor them for training program on the basis of this analysis.

Hence above discussion proves that potential appraisal if practiced in the right manner, can prove to be very effective in the development of the employees in person and banks as a whole.

5.6 CAREER PLANNING AND DEVELOPMENT

Every employee aspires for the advancement of his career and better opportunity to use his talent. The career advancement is the most motivating factor for the personnel working in an organization. Career planning and development is helping the employees to plan his career in terms of his capabilities with in the context of organizational needs. ((Pareek & Rao, 1997)

Management and career development programmes are aimed at the developing managers and educating all the personnel about the technical requirements of their jobs. These programmes are becoming more popular because organizations are aware of the need for competent and adaptable personnel at all levels. In addition, new jobs are opening up and employees need to develop themselves. A good management and career development
programmes therefore, meets the needs of both the organization and the individual employees (French, 1997)

Therefore, it is in this context career planning was taken as one of the aspect of HRD practices. It was found in the present study that the career planning activities are followed in the private sector banks are better that the public sector banks one of the reasons could be that the promotions in the public sector banks are time bound and not on the basis of performance or the potential another reason could be that there is job security in public sector banks which hampers the desire of the employees for the career planning. Career planning showed a significant positive correlation with decision making, belief in subordinates in public sector banks but it showed a negative significant correlation with innovation and creativity, assessment of task, example setting, client management, organizing and empowerment in public sector banks the reason could be the negligence and non existence of good career planning activities in the public sector banks because now the employees are very much aware of the various practices that are followed by their competitor and this leads to frustration and that is reflected in their productivity and effectiveness. This is further supported by multiple regression test that career planning is determinant of belief in subordinates in public sector banks this means that if the superior perform proper career planning for the subordinated this will increase the mutual trust and understanding among the superior and subordinates. It also negatively determines the client management and organizing in public sector banks this implies that the employees feel that there is no career growth on their organization so they do not pay much attention to the client management which has a very lasting and negative impact on the development and growth of the bank.

The bank management should also realize the need for developing the capabilities of the employees and help them in planning their career in the right direction as per the
requirements of their job and aspirations. The bank employees should also be able to lay down their self development needs. They should also possess the latest information regarding the career development opportunities in the bank.

5.7 TRAINING

The training and development encompass activities ranging from the acquisition of simple mechanical skill to a complex administrative skill. Through orientation programs, the organization has to mould and buildup favorable attitude among the employees toward the organization and its goals (Rao, 2003).

The well planned, organized systematic training and development programs increases the knowledge, skill, abilities and aptitude of the employees to perform their present and future roles with confidence, efficiency and effectiveness (Dudeja, 2000).

In order to achieve effective job performance of employees, the organizations are setting up a separate cell for training and development as training is the most valuable road to improve job performance of personnel at different levels. The banks have acknowledged the training as the means to develop their human resources. HRD in banks have assumed increased importance in view of the vast expansion in the staff strength, branch network and the scope of banking activities witnessed in the recent times to keep pace with mounting expectations of the society from the banks (Yatoo, 2001).

As the above discussion reveals the importance of training for the banking sector the present study has taken training as one of the dimension of HRD practices. It was found through t-test that both public and private sector banks give importance to training programs and there is hardy any difference in the mean value. All the selected public sector bank for the study have training staff college with state of art facilities and the
banks send their employees regularly to these colleges for training where as private banks have no staff college as such but they regularly organize training for their employees.

Training significantly correlate to decision making, managing conflict and T&D aspects of managerial effectiveness in the public sector banks this means that with proper training employees can make better decision and manage their conflict effectively but it is interesting to note that in the public sector discipline and example setting and innovation and creativity is negatively correlated to training. This means that training hampers the creative skills of the managers in the public sector banks and so they should design their training programs to enhance the creativity of the employees.

In the private sector banks motivation and reinforcement, control functions, decision making, mutual understanding, empowerment, training & development (dimensions of managerial effectiveness) are positively and significantly correlated to training (dimension of HRD practices). Belief in subordinate is negatively and significantly correlated to training. This shows that in the private sector training programs are more organized and need oriented than public sector banks. It can be concluded that managers of the private sector banks are trained in such a manner that there is an increase in their skills and they perform their jobs more effectively. This is further supported by A.K. Singh (2002) who conducted the study on Indian public and private sector organizations. According to him managerial effectiveness was positively and significantly correlated to training in the private organizations. He further suggests that more focus on training will positively affect the work values such as risk taking, autonomy, and personal development.

The regression analysis predict that in the public sector banks training is a negative predictor of client management this means that in the public sector banks training
programs are not designed for client management or they should give more importance to client management training because client is reason for the survival of any bank.

In the private sector banks training has proved as a positive predictor of conflict management by the employees this means that the training given in the private sector banks help employees to manage their conflict in a better manner. It is interesting to note that training is the negative predictor of assessment of task in the private sector banks this give scope for the private sector banks to give right training to the employees regarding their tasks related issues.

Therefore to improve the overall managerial effectiveness, employees are required to effectively participate in the training and learning programs. They should apply the new techniques learned on their jobs, discuss the learning objective with their colleagues and also the superiors. Even though they are performing the duties as per the job requirements but at the same time they ought to enhance their performance level so that they can compete in the modern banking industry.

5.8 ORGANIZATIONAL DEVELOPMENT

“Organizational development is a planned effort, initiated by process specialist(s) to help an organization develop its diagnostic skills, coping capabilities, linkage strategies in the form of temporary and semi permanent systems, and culture of mutuality.” (Pareek, 1978)

Therefore it is in this context that present study has under taken organizational development as one of the dimensions of the HRD practices and it was found that both public as well as private sector banks follow organizational development practice. It is interesting to note that there is a significant difference in the practices followed by both
the sectors. Private sector banks showed better organizational development practices than public sector banks as is evident from the higher mean value of private sector banks.

When the correlation between organizational development and dimensions of managerial effectiveness was performed it was found that in the public sector banks was positively and significantly related to decision making and T&D aspects of managerial effectiveness. This shows that in the public sector banks OD interventions are applied in such a manner that it increases the decision making capability of the employees. OD interventions are applied in banks through effective training programs. Innovation and creativity discipline and example setting showed negative yet significant correlation with OD this reflects that in the public sector banks due to lot of government policies, rules and regulation OD is not able to enhance the innovating and creative skills of the managers. As far as discipline and example setting is concerned in the public sector banks job security to some extent allows to flout the discipline because they know nothing will happen to their jobs, therefore even the OD interventions are not able to give the desired results.

As far as private sector banks are concerned following dimensions of managerial effectiveness; motivating and reinforcing, managing conflict, empowerment, discipline and example setting, control function, decision making, mutual understanding showed positive correlation with organizational development. This suggests that in the private sector banks OD plays an important role in motivating the employees because the motivated employees meet with all the challenges of the organization, helping them to manage their conflicts, in any organization conflicts are always there but how employees manage them or use this conflict effectively is taught by OD the data shows that OD practices in the private sector banks are so designed that it trains the employees to manage their conflict effectively, better mutual understanding and decision making
capabilities of the employees, as employees have to take decision big or small at every
day in their job at times they have no time to discuss with their superior and fellow
colleagues are required to take decision there and then. OD interventions prepare them for
this type of situations but what is required by the private sector banks are some OD
interventions to improve the confidence and belief of the superiors in subordinates as the
present data reveals that OD is significantly but negatively correlated to belief in
subordinates. Rao and Pareek 1992 OD is now playing an increasing important role in
helping the diagnosis of problems of human resource in the company, in taking steps to
team building at various levels, in improving general morale and motivation of people
and in developing healthy values and trying out various ways of solving problems
plaguing the company.

The multiple regression showed that in the public sector banks organizational
development proved to be negative predictor of innovation and creativity and as well as
of discipline and example setting therefore the public sector banks should design their OD
interventions in such a manner that it even with the routine work their innovation and
creative skills are enhanced. As far as discipline and example setting are concern even
though there is job security, time bound promotions and transfers the OD interventions
should be designed and practice in such a manner that discipline of public sector banks
improves.

In the private sector banks OD proves to be positive predictor of mutual understanding
this reflects that OD interventions in the private sector banks enhances the mutual
understanding among the employees which is really good for the organization as mutual
understanding leads to better teamwork, group cohesiveness, helps them to meet
challenges and competition collectively. OD proved to be negative predictor of
innovation and creativity even in the private sector banks.
Hence above discussion proves that OD intervention if practiced in the right manner, at the right time and implemented by the right people can prove to be very effective in the development of the banks as a whole and of the employees in person.

5.9 CONCLUDING REMARK

The next chapter highlights the main conclusion that emerged out of the study and the implications thereof. Some of the suggestions for further research have also been suggested which evolve from the outcome of this study. Some of the limitations, which the researcher had to encounter in the process of conducting the research, have also been mentioned.