3.1 INTRODUCTION

In order to have a perception and the background setting of the theoretical base and the studies and investigations made by various researchers, as well as views of different authorities, personalities, committees and commissions, a discussion of the conceptual issues of human resources development and a review of literature become necessary.

The concept of HRD is evolved in the West in the second half of 20th century. In India, the concept of HRD was introduced for the first time by Larson & Tubro in private sector. In 1978, the concept was adopted by Bank of Baroda, & in 1979, it was adopted by State Bank of India.

People, in an organization, are to be used as a resource as they are key to the organizational efficiency and effectiveness. Under human resources development we may view all the structures, systems and processes which an organization use to acquire or strengthen their capabilities.

HRD intrinsically recognizes that 'people' are the organization's singularly important and valuable resources and that they need to be developed in terms of their knowledge, skill and attitude for achieving their personal as well as organizational goals. HRD must concentrate on moving up the value chain and focus on value creation and value addition. Human resource development practices comprises of many components like - selection procedures, training policy, performance and promotion policy, transfer policy, wages, compensation, social security policy, worker's welfare policy, re-creational policy, employee-employee/employer/management relations, trade union, health policy, etc. All the components of human resource development practices must be continuously integrated with the human resource policy of the organization.

Today's increasing complex and volatile business environment characterized by globalization, liberalization and the transnational invasion ensures that
managing would not be the same again. As we are in 21st century competitiveness in global market place presents the ultimate challenge to policy makers, business leaders and entrepreneur’s in any industry, including banking.

The need for HRD is all the more great in service-oriented institutions like banks. An efficient, effective and disciplined banking system helps the process of economic development as per the national priorities. It functions as catalytic agent for bringing about economical, industrial, and agriculture growth and prosperity of the country.

The need for HRD in the banking institutions has continuously grown because of an effective role they play of social-economic development and upliftment of especially those people who are neglected and deprived. Banks have a strong industrial relation orientation which necessitates more and more focus on improving the HRD efforts have to be there to influence people to use HRD for achievement of goals both business and social.

The HRD policy in the banks has to act as an instrument to encourage employees to show creativity, to reach for excellence and finally to render better customer service.

3.2 REVIEW OF LITERATURE

In this chapter the researcher has made an attempt to provide reviews of some related works on human resource management and practices. It was found expedient and practical to select a limited number of books and research papers authors on the relevant aspects related to the present research work. The review has given a good insight into the theoretical and practical aspects of the research study. Hence the selected works have been reviewed and presented here. A brief review of literature is presented in the following paragraphs.
1. **Shaikh T. S. (1978),** in his Ph.D. Thesis “Personnel Policies and Administration in Urban Banks” reported that for getting good personnel to Banks all vacancies should be advertised, selection committee should add with expert in it, all interviews must be formally arranged, and proper induction program should be arranged for new employees. He further stated that there should be a separate Human Resource department, planned training programs, clarified promotion criteria known to all, scientific performance appraisal system.

2. **Dr. Muktar N. Khan (1990),** in his study “Human Resources Development in Changing Technology” has stated that manpower resources are in fact a double edged weapon, if they are misused; they lead to economic retardation of a country. An effective HRD programme should include (a) proper HRD strategy, (b) adequate manpower development procedures and (c) a specialized motivational plan. He has opined that in this age of changing technology, human resource development is a pre-condition both for maintaining and for developing the national economy.

3. **Shankar. K (1992),** in his article “Training in Banks: Need for Innovation” recognizes the importance of training for the development of human resources and organizational development. He suggests bringing innovations in training. He further says that evaluation of training is the most important because what is relevant today may not be relevant tomorrow. There is a need to know the effectiveness of training programmes conducted by banks in India, on the basis of different evaluation parameters.

4. **Rao Visweswara P. (1995),** in his study entitled on “Human Resource Development in Banking Sector - A Study of a Public Sector Bank in Andhra Pradesh” surveyed 350 companies to study HRM issues and to see how people are managed in different organizations across the country. The survey concluded that the road to successful HRM is a long
one and much of it remained unraveled. A Survey on HRM in Indian industries,” had reviewed human resource development activities in different public sector banks in India. He made an attempt to study the human resource development components in a public sector bank by analyzing the components of human resources development in public sector banks.

5. **Salokhe Vidya A (2003),** in her book “Human Resource Development In Banks” strongly reported that, H.R. policies of each bank should be uniformly reoriented; there should be special training program for bank employees, transparent performance appraisal system and post appraisal interview, and separate career counseling and training information cell. The bank may evolve appropriate modifications to the existing mechanisms of employee welfare and have HRD professionals appointed in the Banks.

6. **R. Rani Geetha Priyadarshini & Venkatapathy R. (2004),** have published their article titled as “Impact of HRD on Organizational Effectiveness in the Banking Industry” in which they have concluded that a) the HRD practiced in the banks have a strong influence on their performance; b) greater the association between HRD practices and organizational effectiveness, greater is the performance of the banks; c) private banks have placed low emphasis on HRD practices in their organizations, which may be due to lack of adequate orientation and resource allocation towards developing their human factor. d) top performing banks have a higher extent of HRD practices in their organizations, which influences the effectiveness of their organizations and e) HRD practices in the organizations have impacts on the effectiveness of organizations and hence on their performance irrespective of their size and ownership. They concluded that high extent of HRD practices and better performance go hand-in-hand and vice-versa.
which explicitly implies that HRD positively impacts organizational effectiveness and hence performance of banks.

7. **Rainaye, Riyaj (2004),** in his empirical study published under title “Training Effectiveness in Public Sector and Private Sector Commercial Banks: A Micro Level Comparative Study” has examined the training policy in two prestigious commercial banks, namely, State Bank of India and Jammu & Kashmir Bank Ltd. The focuses was on various facets of training including management’s attitude towards training, induction training, training needs, and employee’s attitude towards training, training inputs, quality of training programs and transfer of training to the job. The 23 – Item questionnaire “Training Effectiveness” developed by Rao (2000) was administered to collect the primary data. The study evaluates the opinions of the employees of two cadres of both banks: in particular that it can be made fully effective only when the training needs assessment and transfer of training to the job are considerably improved, besides bringing in finer improvements in other dimensions. The results of this study may have some practical significance for trainees, trainers, HRD planners and banks as a whole. The author has concluded on the basis of findings of the study that in JKB line managers are not involved in employee development; induction training is not of sufficient duration & not evaluated properly, senior executives do not interact properly with subordinate employees; training objectives are not sharply perceived and achieved; the bank does not well concentrate on development of human skills. However the bank has well maintained the standards of external training programmes and also in-bank programmes. In SBI, except training need assessment and transfer of training to the job, the working of training function is excellent. The employees of both the banks feel that training function in the banks cannot be made effective unless training need analysis (TNA) and transfer of training to the job are improved.
8. **Sangwan Daljit Singh (2005)**, studied in his research thesis “Human Resource Management Strategies in Indian Banking Sector”, the HRM strategies followed in Indian Banking Sector. He further examined that how these strategies play an important role in improving the productivity of the banks. He premeditated in detail the general strategies followed in Indian banking sectors.

9. **Patel M. K. (2006)**, in his book “HRD Practices in Service Industry: A Study of Women Employees” has highlighted HRD general practices, HRD climate, industrial relations, wages and salary, welfare activities, promotion and transfer, performance appraisal, recruitment and training and development practices in various service sector's organizations in India. Human resources are the vital part of an organization’s growth. The development of human resources has a great importance for the future of the organization. Today HRM/HRD is not an isolated practice or a department in the organization. It is a force which binds the whole organization. It solves the problems related to human resource in the organization. Human resource is an important aspect of management which motivates the human power to take the challenges faced by the organization in the third millennium.

10. **Vasanth Kumar B (2007)**, studied in his research thesis “HRD Climate and HR Development in Service Sector: A Study with Reference to Banking Sector in Coastal Andhra Pradesh”, the HRD climate and examined the various HR development activities carried out in the service sector with reference to banking sector in coastal Andhra Pradesh. He noted that, the customer services are the winning edge in the competitive market conditions. He further noted that, how banks should face the competition and what changes to be made in development of the banks.

are essential to improve the performance of Co-operative Banks in India. He strongly suggested the need of human resource training and development which in turn will result in Human Resource Development. He also felt the need of full-fledged staff training centers well equipped with modern training aids in every District Co-operative Bank.

12. **Khattar Poonam (2007)** in her paper “Do we need a Human Resource Development Policy in Health” has made detailed study state efforts in India towards policy for training and human resource development in Rajasthan, Chhattisgarh and Jharkhand. A brief review of the Five-Year Plans suggests that a number of reforms related to training of health functionaries have been suggested and formed the core of health system over a period of last few decades. Yet, several drawbacks like duplication of trainings and personnel, lack of programmes evaluation have been identified. The paper suggests formulation of Human Resource Development policy to meet the goals related to health sector. The paper also suggests that outlining policy guidelines would lay a strong foundation to strengthen the system and also cater to aspects like cost containment in trainings, quality of care concerns and creation of new categories of health personnel etc.

13. **Tripathy Laxman and Tripathy Kumuda (2008)**, found that the majority of the IT companies sampled, institute such HRM practices that are complex in nature and a majority of the IT companies do follow such HRM practices which can be termed as adaptive in nature. They suggested that offering job plus education referral recruitment, online and open house tests (in case of recruitment & selection), flexible training choice, skills & project centric training (in case of training & development) and lastly, transparent appraisal systems, above average salary, more non salary benefits, flexi timing and opportunity for growth are some of the selective practices which, if followed with rigor, would help managing enhance human resources of an IT company.
14. **Kundu Subhash C and Handa Ravi Kumar (2008)**, have conducted a study on “Identification of Training and Development Needs: A Study of Indian and Multinational Companies”, by selecting 225 respondents from Indian and 225 from multinational enterprises. The main objective of the study is to assess the identification of training and development needs in companies operating in India. The study is based on primary data gathered with the help of questionnaire comprising two sections. The first section contained six background questions and second section contained 13 statements for identification of training and development needs. Results revealed that employees in multinational companies seemed to have higher satisfaction comparatively more than national companies in identification of training and development needs. Productivity emerged as number one variable as need identification objective. The study suggests that programmes should be based on proper identification of training and development needs and suggestions from trainees should be welcomed and rewarded.

15. **Mishra Priti Suman (2008)**, has made a study on “Training and Development need Analysis for Ushering Change - A Study in Jindal Steel and Power Ltd.” by selecting 30 employees from Jindal Steel and Power Ltd. The objectives are: To Know what are the gap between the perceived training needs and actually what the organization needs to be based on, to study the training and development practices. Data was collected using both quantitative and qualitative measures. A questionnaire involving 5 point scales ranging from strongly agree to strongly disagree was used. The survey revealed that such programmes will gain competitive edge. It also shows a culture of learning and using training to move the organization to new levels of performance However, continuous training needs analysis is necessary for all organizations.

in Public Sector Banks”. The objective of the study was to focus on the suggestions made by the experts in the banking industry. The study revealed that while pointing out the problems relating to human resources in public sector banks, the experts and high level HR committee which has representations from Indian Bankers Association, Government of India, State Bank of India and other public sector banks have suggested measures to overcome the deficiency in training. Training and development programmes will provide a means for pinpointing the most critical competencies for the banks success. Training programmes should be in conformity with the changed scenario and demands from customers.

17. **Dr. Trivedi Vikas (2008),** in his research paper “HR Perspectives in Indian Banking System” deals with comparative account of human resource practices of public and private sector banks and provides an insight into the different human resource strategies in both the sectors. He has conducted a study by selecting 123 employees from public and private sector banks. For this, he has used a structured questionnaire. He concludes that employees in private sector banks are encouraged to work and try to be excellent in their work, and all opportunities are provided to the employees. But in public sector banks employees’ promotions are given on the basis of seniority and their hierarchical positions are based on other considerations. He suggests, public sector banks should undertake long-term training and retraining programmes. And the training facilities in public sector banks should be strengthened.

18. **Bais Santosh Singh & Agadi Ramesh B. (2008),** in their article titled as “HRD in Indian Dairy Industry” has given a brief account of dairying and HRD practices in it, before and after independence. National Dairy Development Board was set up in Sept. 1965 at Anand which gave a boost for dairy development in cooperative sector. The authors have concluded their article with the suggestion that being an important food
industry, milk processing organizations in India should concentrate on HRD practices, so as to bring about development of milk industry at fast speed.

19. Gurulakshmi. K. G. and Vidhya. M. (2011), in their article “HR Challenges of Bank Employees with Special Reference to Training and Development Programmes in State Bank of India” have made critical study on training and development programmes in State Bank of India. They stressed the need for training and development programmes and evaluation regularly in order to improve them. The training methodologies such as target groups, suitable audio-visual, types of programmes and other related general aspects are called as four pillars of training in the banks training system. They suggested that training programmes should be on the mark so that they respond to employees, organization and industry needs. Careful planning, implementation and evaluation of training programmes increase the positive change in human behaviour and therefore improve the bank’s efficiency.

20. Shrivastava A. and P. Purang (2011) in their study on “Employee Perceptions of Performance Appraisals: A Comparative Study on Indian Banks”, studied the differences between public and private sector banks with respect to perception of fairness of the performance appraisal system and performance appraisal satisfaction. Perception of fairness of the performance appraisal system has been studied through nine factors. The study used independent samples t-test and qualitative analysis to study the mean differences between the two banks. Results indicated that private sector bank employees perceive greater fairness and satisfaction with their performance appraisal system as compared to public sector bank employees.
References


