4.1 INTRODUCTION

Today there is a cut throat competition in every industry more so in service industry like banking industry. Banks are shaping up as financial hub for their clients to grow in size and well recognized in the world market. To pull consumers banks are offering traditional with advance services like SMS banking, ATM, internet banking, priority banking, demat account personalized banking and so on. So we can say that it caters to the need of the bottom to the highest class of society providing something to everyone. Universal banks have become modern day’s supermarket extending almost every facility of banking under one roof.

Nowadays, banking is no more conventional sector because many private and public banks are mushrooming with providing the best of banking under one roof. With drastic growth of banks it calls for efficient and well trained staff members to handle/deal with the consumer needs.

“The Management of Man” is a very important and challenging job; important because it is a job, not of managing “men”, but of administering a social system. The management of men is a challenging task because of the dynamic nature of the people. People are responsive; they feel, think and act; therefore, they cannot be operated like a machine or shifted and altered like a template in a room layout. They, therefore, need a tactful handling by management personnel. If manpower is properly utilized, it may prove a dynamic motive force for running an enterprise at its optimum results and also work as an elixir for maximum individual and group satisfaction in relation to the work performed.

Employee satisfaction or dissatisfaction results from the exchange between the demands and the expectations of an organization, and of workers’ expectations and personal objectives. Employees and organization have relationships of reciprocity.
4.2 PROBLEM IDENTIFICATION OF THE STUDY

For the development and growth of any organization, human resource is the basic requirement and most important resource. Therefore, the continuous attraction, development and retention of the human resources become a prerequisite for excellence (competitive advantage) for every organization. Competent and motivated people in any organization are the ones who make things happen and enable the organization to achieve its goals. Therefore, the organization should continuously ensure that dynamism, competency and motivation of the employees remain at high level.

Human resource development in the organizational context is the process by which employees of an organization are helped in continuous planned way to:

(1) Acquire or sharpen capabilities required to perform various functions associated with their present and future expected roles.

(II) Develop their general capabilities as individuals and discover their own inner potential for own and organizational development purposes.

(III) Develop an organizational culture in which superior-subordinate relationships, teamwork and collaboration among sub units are strong and contribute to the professional well being, motivation and pride of employees.”

Banks have to understand that the capital and technology, considered to be the most important pillars of banking are replicable, but not human capital, which needs to be viewed as a valuable resource for the achievement of competitive advantage. The long-term vision for India’s banking system is to transform itself from being a domestic one to the global level may sound farfetched at present. To take up this industry to the heights of international excellence requires combination of new technologies, better processes of credit and risk
appraisal, treasury management, product diversification, internal control, external regulations and human resources at the most.

Development of human capital is therefore the most important challenge before banks and the human resource management systems in banks need to gear itself to face up to this task. It is an opportune time that HR practices in banks undergo a complete transformation to suit the needs of the knowledge economy. More important, banks will not only have to re-skill their employees, they also need to retain and nurture talent. This in turn would be possible only if the HR policy framework in banks provides for clear career path planning and an enabling environment which will help employees to develop & excel in their tasks.

Workforce of any bank is responsible to a large extent for its productivity and profitability. Efficient human resource management and maintaining higher job satisfaction level in banks determine not only the performance of the bank but also affect the growth and performance of the entire economy. So, for the success of banking, it is very important to manage human resource effectively and to find whether its employees are satisfied or not. Only if they are satisfied, they will work with commitment and project a positive image of the organization. The present research work makes an effort to study the satisfaction level of HRD policies and practices prevailing among employees of selected private sector banks in four major cities of Gujarat.

4.3 STATEMENT OF THE PROBLEM

The present research is intended to study the under defined problem:

“HUMAN RESOURCE DEVELOPMENT: POLICIES AND PRACTICES IN SELECTED PRIVATE SECTOR BANKS OF FOUR MAJOR CITIES IN GUJARAT”
4.4 RESEARCH METHODOLOGY

The following section discusses the methodology adopted for the study. The different areas included are the objectives of the study, study design, scope of the study, sampling design covering population of the study, sample area and sample size, sources of data collection, method of data collection, period of the study and a note about tools and techniques used for data analysis.

4.4.1 OBJECTIVES OF THE STUDY

The present research study is aimed to find out prevailing HRD policies and practices and to identify the satisfaction level through different dimension of HRD policies and practices. Hence, the following are the prime objectives of the study:

1. To investigate the various facets of HRD policies and practices like – Recruitment and Selection, Training and Development, Job Satisfaction, Performance Appraisal, Compensation, Promotion, Quality of Work Life, Motivation, Career Development and Employee Retention in selected private sector banks of four major cities of Gujarat.

2. To investigate the impact of HRD policies and practices on managerial effectiveness of selected banks of Gujarat.

3. To compare the contribution of various HRD mechanisms in the development of human resources.

4. To identify the problems in the existing HRD systems in selected private sector banks suggesting suitable remedial measures.
4.4.2 STUDY DESIGN

The study conducted is mainly descriptive and analytical. It is mainly comparative analysis of HRD policies and practices among selected private sector bank employees.

4.4.3 SCOPE OF THE STUDY

Out of total private sector banks functioning in India, five banks are taken in the present study. They are:

1. ICICI BANK
2. HDFC BANK
3. AXIS BANK
4. KOTAK MAHINDRA BANK
5. INDUSIND BANK

The present study an attempt is made to study HRD policies and practices of the selected five private sector banks of four major cities of Gujarat.

4.4.4 SAMPLING DESIGN

POPULATION OF STUDY:

The population of study is the employees of the selected private sector banks. It includes the different types of employees working presently with the private sector banks in Gujarat.

SAMPLING TECHNIQUE:

The Convenient Sampling Technique was used for Data Collection.
SAMPLE AREA:

The Gujarat state is decided as the sample area for the study. The reason for selecting Gujarat as the sample area is existence of a well-organized and large network of private sector banks in different cities. The private sector banks also have a very good presence in the state with a number of branches in all prime centers/cities. Even though the respondents include people who are working in Gujarat of four major cities only, the implications of the findings of the study are not limited to Gujarat alone on account of different reasons. All these banks are operating at the national level and all the employees of the respective banks are having the same type of orientation and training all over the country. Moreover, the banks in India have only very few of state specific characteristics.

SAMPLE SIZE:

Twenty employees from each bank of each city were selected by Convenient Sampling Technique. In this way, 400 employees (20 employees x 5 banks x 4 cities = 400 respondents) were selected to be the sample of the present study.

The number of selected employees is shown in table 4.1.

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of the Bank</th>
<th>Number of Respondents</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Ahmedabad</td>
<td>Surat</td>
</tr>
<tr>
<td>1.</td>
<td>ICICI Bank</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>2.</td>
<td>HDFC Bank</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>3.</td>
<td>Axis Bank</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>4.</td>
<td>Kotak Mahindra Bank</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>5.</td>
<td>IndusInd Bank</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

4.4.5 SOURCES OF DATA COLLECTION

The present study covered both primary as well as secondary data.
1. PRIMARY DATA

The primary data have been collected using structured questionnaire covering close-ended statements and five point Likert scale.

2. SECONDARY DATA

The present study used secondary data related to the study which are extracted from the various sources like websites, thesis, dissertation, journals and past studies.

3. RESEARCH INSTRUMENT

Questionnaire was prepared to collect the primary data from the employees.

Questionnaire was divided into two sections:

(A) Demographic profile of the respondents and

(B) Respondent’s perception on different aspects of HRD policies and practices adopted by the bank.

The second section of the questionnaire consisted of about 50 close ended statements with a specific piece of information that seems to them to be appropriate and 50 statements based on five point Likert scale to test the impact of all the variables related to HRD policies and practices prevailing in the bank.

The ten (10) major parts/variables considered under the study are viz.,

1. Recruitment and Selection
2. Training and Development
3. Job Satisfaction
4. Performance Appraisal
5. Compensation
6. Promotion  
7. Quality of Work Life  
8. Motivation  
9. Career Development  
10. Employee Retention  

The content of the questionnaire has been developed primarily from literature sources. Preparation of the final form of the questionnaire to measure the HRD policies and practices was done as mentioned hereunder.  

**Table - 4.2: Number of statements included in each aspect which measured the HRD policies and practices in the final form of questionnaire**

<table>
<thead>
<tr>
<th>No.</th>
<th>Aspects of HRD Policies and Practices</th>
<th>Number of Statements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Close Ended Statements</td>
</tr>
<tr>
<td>1.</td>
<td>Recruitment and Selection</td>
<td>5</td>
</tr>
<tr>
<td>2.</td>
<td>Training and Development</td>
<td>5</td>
</tr>
<tr>
<td>3.</td>
<td>Job Satisfaction</td>
<td>5</td>
</tr>
<tr>
<td>4.</td>
<td>Performance Appraisal</td>
<td>5</td>
</tr>
<tr>
<td>5.</td>
<td>Compensation</td>
<td>5</td>
</tr>
<tr>
<td>6.</td>
<td>Promotion</td>
<td>5</td>
</tr>
<tr>
<td>7.</td>
<td>Quality of Work Life</td>
<td>5</td>
</tr>
<tr>
<td>8.</td>
<td>Motivation</td>
<td>5</td>
</tr>
<tr>
<td>9.</td>
<td>Career Development</td>
<td>5</td>
</tr>
<tr>
<td>10.</td>
<td>Employee Retention</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
</tr>
</tbody>
</table>
4.4.6 METHOD OF DATA COLLECTION

Convenient Sampling Technique was used for data collection. Employees working in selected five major banks of four cities viz., Ahmedabad, Surat, Rajkot and Vadodara were contacted during bank working hours.

**Questionnaire was divided into two sections:**

- **A. Demographic Profile of the Respondents**
- **B. Facets/Dimensions of HRD Policies and Practices**

The researcher made use of close ended statements and five-point Likert scale under the study.

**(i) Close-ended Statements:**

Questions that ask the respondent to select an answer from a list of options are called closed-ended questions. Close ended questions provides uniformity of response and are relatively convenient and easy to answer and analyze. Popular closed-ended response formats are multiple choice, yes-no or truefalse.

Under the study, the researcher has used the set of statements with multiple choices from which the respondent has to answer from the given choices to test their understanding regarding the question and to achieve closure of a persuasion.

**(ii) Likert Scale:**

In Likert questionnaire items, respondents are responding to specify their level of agreement or disagreement for a series of statements and thus captures the respondent’s feeling for a given item.
Under the study, each dimension which measures HRD policies and practices of employees of private sector banks has five levels of agreement i.e. “strongly agree”, “agree”, “neutral”, “disagree”, and “strongly disagree”. As it was decided to scale the statement on five points, the respondents were requested to read the statement one by one and put a tick mark (✓) under appropriate column according to their agreement regarding HRD policies and practices. The five columns were provided against each statement.

4.4.7 PERIOD OF THE STUDY

The present study is confined to the study of HRD policies and practices in the selected five private sector banks functioning in Gujarat for a period of 5 years i.e. from the year 2011-2012 to 2015-2016.

4.4.8 HYPOTHESES OF THE STUDY

With reference to the review of literature of the HRD policies and practices in the banking industry, and to test the objectives of the study, the following hypotheses were developed:

1. The familiarity of HRD philosophy, practices and measures etc., do not differ among the employees of the selected private sector banks functioning in Gujarat state.

2. There is no significant difference between different socio-demographic characteristics of bank employees like, age group, designation, educational qualifications and length of service.

3. There is no significant difference in HRD policies and practices followed in the selected private sector banks operating in Gujarat state.

4. There is an association between the different dimensions of HRD policies and practices and the corresponding levels of satisfaction experienced by the bank employees in their selected private sector banks.
4.4.9 TOOLS OF DATA ANALYSIS

**DATA COMPILATION:** The responses of 400 respondents of different selected banks of four major cities have been properly classified and tabulated in properly devised statistical tables. Thereafter, the tabulated data have been analyzed and interpreted to derive at appropriate findings, which have led to significant conclusions and inferences.

The data collected by way of questionnaire were compiled in tabular form along with the graphs so that the analysis can be made easy. Analysis is also done with the help of pie and bar charts and graphs.

The descriptive statistics used for interpretation for data analysis are viz.

(i) Frequencies
(ii) Percentage (%)
(iii) F-test (Analysis of Variance: ANOVA)

4.4.10 CHAPTER SCHEME OF THE STUDY

The study has been prepared and presented under the sequentially arranged six major chapters. The detail layout of the chapters is presented hereunder:

**Chapter - 1: Theoretical Framework of Human Resource Development**

This chapter gives overview of definition of HRD, essentials of human resource development, features of human resource development, benefits of human resource development, theoretical foundations of human resource development, implementation of human resource development, mechanisms/methods to implement HRD in an organization, importance of HRD in the banking sector, need of HRD in the banking sector, HRD departments in
commercial banks in India, role of HRD personnel in banks and HRD challenges in a new banking age in India.

**Chapter - 2: Indian Banking Sector: An Overview**

Chapter second includes an overview of Indian Commercial banking Scenario covering meaning of banking, definitions of bank, origin and development of banking, evolution and growth of banking in India, principles to conduct banking business, functions of commercial banks, development phases of Indian banking sector, structure of Indian banking system and highlights of number of employees of scheduled commercial banks in India. This chapter also includes a section containing a brief profile of the selected banks viz., ICICI Bank, HDFC Bank, Axis Bank, Kotak Mahindra Bank and IndusInd Bank functioning in the country.

**Chapter - 3: Review of Literature**

In this chapter, various research papers published in national and international journals and articles, Ph.D. thesis, M.Phil. Dissertations and Research Reports have been reviewed from a conceptual perspective and thus found out the necessity of the present study.

**Chapter - 4: Research Methodology**

This chapter deals with the introduction, problem identification of the statement, title of the statement and research methodology covering together objectives of the study, study design, scope of the study, sampling design (population of the study, sample area and sample size), sources of data collection (primary data, secondary data and research instrument used), method of data collection, period of the study, hypotheses of the study, tools used for data analysis and finally limitations of the study.
Chapter - 5: Data Analysis and Interpretation

Chapter five is completely dedicated to the analysis of the data based on primary information collected through questionnaire from the bank employees of the sampled banks. The division of the chapter is described as under:

(I) Data analysis based on demographic characteristics of the respondents of sampled banks

(II) Data analysis based on the respondent’s opinion about the recruitment and selection procedure followed, training and development provided, job satisfaction, performance appraisal system of the bank, compensation provided, promotion policy of the bank, quality of work life in the bank, motivational factors of the bank, aspects contributing career development and employee retention facilities provided by the bank. Further respondents’ satisfaction level is also analysed based on Five-Point Likert Scale for different dimensions of HRD policies and practices.

(III) The chapter also covers the broader hypotheses testing and conclusions drawn on the basis of the analysis.

Chapter - 6: Findings and Recommendations

Chapter six presents, a brief summary of the research report and major findings of the study in a summarized manner together with overall conclusions have been given. This chapter presents the suggestions given by the researcher based on the HRD policies and practices of the sampled private sector banks in Gujarat State.
4.4.11 LIMITATIONS OF THE STUDY

The study may suffer from the limitations and the researcher therefore is aware of the following Limitations:

1. This study is primarily focused on the primary data taken from the selected five private sector banks functioning only in the State of Gujarat.

2. The employees’ perception of HRD policies and practices may differ in other states of India.

3. As there may be a wide gap in HRD practices of the sampled private sector banks, comparisons may not be fully viable.

4. Sometimes employees themselves do not seem to be sure what they feel about the prevailing HRD practices and have answered whatever came in their mind but researcher did not have enough time to check and recheck from employees their final answer about various aspects of HRD practices which may be considered an important limitation of sample survey.

5. It was felt that employees were cautious while replying to various especially in the matter of question relating to relationship between employees and their bosses. In order to get correct answers sometimes one had to ask number of side questions and had to create confidence in employees that their replies will not be revealed to anyone else. Still one cannot be very sure that every respondent had replied that what he really feels about his level of satisfaction.

6. The limited time period of the study at the disposal of the researcher is also limitation.

7. Opinions of the respondents may change over time and situation.