CHAPTER VI

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After dealing with the entire research project in different chapters, it is now the turn to present the summary and conclusions of the whole work. The present chapter, therefore, summarizes the whole thesis and brings to light a number of suggestions. It may be pointed out at the very outset that though on the basis of survey it has been concluded that HRM practices in ICICI bank are extremely unparallel in Indian banking sector, yet suggestions given on some issues if implemented in letter and spirit, will go a long way in improving significantly HRM practices not only in ICICI bank but in other banks also.

Summary of Conclusions and Suggestions

In the ultimate analysis, the efficiency of an organization depends primarily upon the people. Hence, proper human resource management (HRM) policies and framework is the key for the survival and success of any organization. This aspect assumes greater importance in the present context mainly because human resource is the deciding factor for the success of managing transformation. While it is true that only a dynamic, flexible and pragmatic approach could effectively solve the issues pertaining to people (because the resource is organic and complex), it is also true that it is possible to draw some useful guidelines based mainly on experience to deal with human-related aspects in an organization. It is to be pointed out that undoubtedly a number of general researches have been conducted on different aspects of HRM in commercial banks in India, but no specific work has been done till date to study the
HRM policies and practices in ICICI bank. The present study has been conducted in a discovery mode to study the HRM Policies and Practices in Commercial Banks with special reference to ICICI bank.

Presently, commercial banks are not merely lending and depositing institutions, they have become more than financial intermediaries undertaking all types of activities of the varied customers in order to show how useful are the banks in every walk of life. If the customer is an entrepreneur, the bank provides loans as a primary function, besides these the bank also supplies management advices through merchant banking system, gives project financing, renders loan syndication facility if it is a big venture, assure working capital finance, tax payment facility and other subsidiary facilities relating to day-to-day transactions in the business. If the customer is a salaried person or a senior citizen the facilities rendered by banks include special savings accounts, pension schemes and other subsidiary facilities like home loans, household services, credit and debit cards etc. They mobilize small household savings and lend them for productive purposes. Not only they gather and mobilize savings and employ them in different sectors as per priority but they also create money.

ICICI Bank is the largest private bank in India and the second largest in the entire banking sector (consisting of banks belonging to both public and private sectors). Only State Bank of India (SBI), controlled entirely by the Government of India, has a bigger business than ICICI Bank. Now, the ICICI Bank is India's second-largest bank with total assets of Rs. 3,744.10 billion (US$ 77 billion) at December 31, 2008 and profit after tax Rs. 30.14 billion for the nine months ending December 31, 2008. The Bank has a network of 1,419 branches and about 4,644 ATMs in India and
presence in 18 countries. ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialized subsidiaries and affiliates in the areas of investment banking, life and non-life insurance, venture capital and asset management. The Bank currently has subsidiaries in the United Kingdom, Russia and Canada, branches in United States, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar and Dubai, International Finance Centre and representative offices in United Arab Emirates, China, South Africa, Bangladesh, Thailand, Malaysia and Indonesia. Our UK subsidiary has established branches in Belgium and Germany. ICICI Bank's equity shares are listed in India on Bombay Stock Exchange and the National Stock Exchange of India Limited and its American Depositary Receipts (ADRs) are listed on the New York Stock Exchange (NYSE).

India's top private sector lender, which has a market capitalization of $11.1 billion, has lost 62 per cent of its market value so far this year as a result of its exposure overseas at a time of turmoil in the global financial system. ICICI Bank has the largest exposure among Indian banks to the global financial crisis and its shares have fallen by about 28 per cent since mid-September when Lehman Brothers collapsed yet HR policies, systems and processes are fully geared towards meeting the challenges of expansion taking place in the banking sector.

As the Lehman shock reverberated around markets the world over, both Kamath and Kochhar repeatedly assured investors and depositors that ICICI was safe and well capitalized, and its share price has now recovered 68 per cent from its October low. The bank's bad loans have been rising, though, touching 1.91 per cent of
net advances in September from 1.43 per cent a year ago, it said while declaring its 
quarterly results. ICICI’s share of deposits and loans in the Indian banking system had 
fallen to 6.5 per cent by September this year from 8.7 per cent in March 2007, with a 
large part of the fall in 2008, according to data from three brokerages polled by 
Reuters. The bank’s shares were 0.6 per cent up at Rs. 474.15 at BSE.

On the HR front, ICICI Bank is also one of the largest recruiters in India’s 
private sector and inducts 15,000 people each year. With a headcount of 33321, the 
bank maintains a team of committed and contended employees. It believes that 
employees are the greatest driver of its growth and development. ICICI Bank’s 
human resource policy has been closely aligned to its corporate vision of becoming 
one of the world’s best bankers. Its HR vision was formulated with the aim of 
enabling the employees to become a family of committed world class professionals 
thus making the bank a learning organization. The bank identified competency, 
commitment, culture and system as the four pillars of its human resource strategy. In 
relation to its human resource management, the bank’s corporate plan stated that it 
aimed to create a culture of team work, empowerment and responsibility to convert 
knowledge into productive action with speed, creativity and flexibility - and thereby 
gain a knowledge-based competitive edge. Human resource planning at ICICI is 
undertaken in accordance with organizational objectives and in line with its 
organizational culture. The ICICI bank successfully built a culture that combined 
freedom with responsibility. This showed in the scores the company got in various 
workplace surveys and was also reflected in the overall performance of the company.
The ICICI bank also contributed to raising the efficiency levels in the Indian banking sector as a whole.

Attitude surveys provide information on the preferences of employees, give warning on potential problem areas, diagnose the cause of particular problems, and compare levels of job satisfaction, commitment, and morale in different parts of the organization. The present thesis makes an empirical study to examine the perceptions of bank employees regarding HRM policies and practices and to see as to what extent the pertinent challenges in the HRM process are being resolved and as to what extent the prevailing claims for HRM are empirically true. The field investigation is based on a sample of 397 respondents chosen from amongst the managerial and non-managerial employees of sampled branches. Forty managerial level and 357 non-managerial level employees have been selected to ascertain their reactions towards selected HRM issues and to locate problems. The analysis is based mainly on the responses received from them.

General characteristics of the respondents of selected branches of ICICI bank reveal that it was just by chance that 70 per cent of the total respondents (managerial and non-managerial) were males. Largest percentage of managerial staff i.e. 35 per cent fell in the age group of 36-40 years. However, in case of non-managerial respondents, the largest number was falling in the age group of 20-25 years. The percentage of married people was high in the category of managerial group (80 per cent). In the non-managerial category only 60 per cent respondents were married. Regarding length of service in the bank, it was found highest i.e. 35 per cent for managerial staff in the range of 1-4 years. Highest percentage of non-managerial
respondents was 38 per cent serving between the range of 4-8 years. Eighty five per cent of managerial respondents were post-graduate as compared to 29 per cent in non-managerial category.

After analyzing the general information about the respondents now an attempt has been made in the following pages to present a detailed picture of respondents’ views towards HRM policies and practices in ICICI bank on the basis of 38 statements framed for the purpose of study of perception of managerial and non-managerial employees towards the selective HRM policies of ICICI bank. As pointed out in methodology that all the respondents were required to give responses to each item on a 5-point scale. To make the analysis of data easier, the mean scores were converted into percentages through a simple Xx20 formula. The overall perception of managerial group falls in satisfactory range of scale. The overall mean values of managerial group are >4.00. However, it can be observed that the managers mean values are marginally higher than the non-managerial personnel in sample study organization. The table (5.40) reveals that the overall mean value of managerial personnel shows 4.21(84.2 per cent) which is marginally higher than the non-managerial personnel. The table also reveals that the highest mean value against the statement no.26 viz. male and female employees are truly treated equally in matters of promotion and career development has been recorded at 4.70 (94 per cent). The lowest mean score against the statement no.34, viz. job rotation facilitates employee development has been recorded at 3.95(79 per cent).

The satisfaction of managers towards the effectiveness of various HRM policies are seen in the following order of mean scores of different issues viz.
psychological climate of working is highly favourable with a mean score of 4.55(91 per cent) which is marginally higher than other dimensions of overall HRM policies, such as, personnel policies, performance appraisal, employee training programmes and future plans which has been recorded with the mean score of 4.50(90 per cent), 4.02(80.4 per cent), 4.00(80 per cent), and 4.00(80 per cent) respectively, in ICICI bank. The important observation which comes to light is that perception in relation to various dimensions of managerial personnel about personnel policies and performance appraisal is dominant over the training and development programme and evaluation dimensions. Thus it is clear from the above analysis that overall managers' satisfaction towards the various dimensions of Human Resource Policies is satisfactory.

The perception of non-managerial employees falls in the less satisfactory level group as compared to managerial personnel. The overall mean value of non-managerial group shows 3.90(78 per cent) which is marginally lower than the managerial perception which was recorded as 4.21(84.2 per cent) towards the overall effectiveness of various diminutions of HRM policies and practices in ICICI bank. The highest mean value against the statement no.26 viz. male and female employees are truly treated equally in the matters of promotion and career development has been recorded as 4.37(87.4 per cent). The lowest mean score has been recorded at 3.52(70.4 per cent) as against the statement No.30 viz. this bank spends enough money on health-related matters of the employees. It is obvious from table that there are some statement which score percentage above 70 per cent, against the determination of HRM policies and practices with a mean score of 3.96(79.2 per cent). The perception
of non-managerial group towards the HRM climate and personnel policy dimensions has been recorded as good to some extent with a mean score of 4.22 (84.4 per cent) and 3.89 (77.8 per cent) respectively. The table also reveals that the perception of non-managerial group towards various dimensions viz. performance appraisal system, training and development evaluation have mean score of 4.19 and 3.96 respectively, it means they are not much satisfied with the training and development programme to overall effectiveness of HRM mechanism in the sample study organization.

The empirical assessment brought into light that the mean values of managerial respondents are marginally higher than non-managerial respondents. These predominate managerial perception are very much accepted, keeping the nature of roles being played by them. It is very clear that managerial group employees, are the key factors in developing the favourable HRM climate and inducing the training and development climate, they therefore, would be expected to have more positive views about the systems than non-managers.

Suggestions and Recommendations

As observed through opinion poll, HRM climate is extremely superb in ICICI bank. But the degree of satisfaction differed from managerial to non-managerial employees. In order to further boost the morale and develop a highest degree of satisfaction among managerial employees and also to bring more cheers and remove the feeling of discrimination from amongst non-managerial employees and of course on the basis of issues of HRM policies and practices which in the perception of managerial and non-managerial personnel of ICICI Bank have not been properly
attended. On the basis of aforementioned findings, it has been suggested that the ICICI bank should take following corrective measures:

The recruitment practice of the ICICI bank is appreciated from the majority side. The bank gives priority for internal competitors before looking out from outside. Due to influx of Management Institutes in all corners of the country; campus recruitment drive is accorded priority and, as such no specific recommendation is required to improve the recruitment procedure these days. Only, manpower planning and development are the very crucial activities, which need great emphasis especially given that the bank suffers from high rate of labour turnover.

Most of the respondents evaluated the selection process as fair. Managers said that they are usually involved in the selection process of staff who works for/with them. Besides, majority agrees that the bank selects what it affords, the right person for the right job. Very few employees hold an opinion that the bank is overambitious in its selection practice. However, unlike the modern approach, the fact that the bank does not make reference checks and background investigation of the applicants may have a damaging aftermath.

The division responsible for carrying out job analysis and design, devising job description and specifications made it clear that it has never revised the existing job descriptions since the bank engineered its operations. On the other hand, most of the respondents believe that their job is not analyzed and designed properly. Besides, there are some respondents, although small in number, who said that they don't have a job description at all. It is good that most of the job descriptions given are stated in an understandable language though not all found it easy to comprehend. All of the
participants have expressed their desire to see some change being done to their job. The bank should prepare a job description to all job holders. The job analysis and design should also be revised periodically. Some innovations such as job rotation, job enrichment, and job enlargement need to be introduced.

On compensation front, all the respondents are fully satisfied with a minor degree of difference. It is due to the fact that in today’s world, the success and failure of any enterprise is in its people. And the manner, in which this all-important resource has been treated in any governmental enterprise, has been most unfortunate. In this competitive market where private enterprises are crazily scouting for talent and going all out evolving new pay structures and innovative compensation policies, policy makers have illogically made government institutions stick to their age-old policies of manpower planning and compensation management. On account of compensation, a recent survey by the salary tracking firm Pay Scale revealed that the median salary in India for the private sector is Rs.5,65,214, while that for government owned entities is Rs.2,45,745. With that kind of a differential, it is extremely challenging for government enterprises to attract and retain talent. And that is the very reason that hordes of talented people have been leaving government enterprises and moving towards greener pastures, making the enterprises unproductive, uncompetitive and redundant in most cases. In fact, it is incredible that the Managing Directors and Chairmen of Public Sector Banks draw salaries that are less than what many of the entry-level managers get in private sector banks. Worse is the case with scientific institutions, which are of strategic importance – like ISRO and DRDO – where research scientists are leaving and joining competing firms across the globe, not only
making Indian organisations totally inefficient, but also posing a threat to the internal security of the nation. It is indeed shocking to learn that these scientists earn less than what an entry-level call centre employee earns nowadays. Similarly, the huge deficit of Commissioned Officers in the Indian Army is because the salary a Commissioned Officer gets is no match to what his compatriots get in the private sector.

Another important area is training and re-training which costs less than retrenchment. The training system has to be ready to train when called for any change and be able to bring attitudinal change in the employee reorientation. Without simply confining to skill development, the curriculum has to include an all-round development strategy in accordance with the organizational goals, motivational and behavioral training, team building exercises etc. Instead of making training a ritual for statistical purpose, trainers have to adopt professionalism to inculcate interest in trainees and inspire them with the modern techniques avoiding slumber lectures. The Indian Banks Association (IBA) may launch Distance Learning programmes for bankers through professional bank academic institutes of repute like Indian Institute of Bankers (IIB), National Institute of Bank Management (NIBM) interwoven with incentives to remodel "concern" worker developed as "enabled" worker. Training system, in this bank has to increase its focus on improving the quality of service given to clientele.

There is a need for developing a high level of competence and involvement and inculcate a sense of deep commitment and understanding of the challenges of future. There is a need for a continuous programme of training for every individual to work as a member of an effective team and activate the potential to achieve the
bank's goal. The training has to move from traditional training to training of the latest technological upgradation. Training focus has to shift from mere knowledge development to more of skill enhancement and creating an attitude for service. Training professionals have to be used more for training rather than departmental experts. Instead of traditional and passive methods such as lecture, more of active methods like case study, business games, and simulations have to be used. These organisations have to use extensive e-learning methods, which can save a lot of time and need not require employees to be away from jobs which hamper work. The benefits of training and development methods have to be utilized for practical purposes rather than they being used just to reflect it on paper.

Training is the only significant people oriented activity which equips the personnel to do their job more effectively and efficiently. Traditionally, training and development was not viewed as an activity that could help companies create value and successfully deal with competitive challenges. Today, the view has changed. Companies that use innovative training and development practices are likely to report better financial performance than their competitors that do not. The role of training has broadened beyond training program design. Effective instructional training remains important, but training managers, human resource experts and trainers are increasingly being asked to create systems to motivate employees to learn, create knowledge and share that knowledge with other employees in the company.

Building Corporate Culture is another area ICICI bank can work. The rapidly changing managerial profile of CEO from the traditional holy trinity of planning, organizing and controlling to that of strategist, aligner, change agent, visionary, team
builder, living symbol, buck stopper is a paradigm shift towards integrated global economy. Creating mutual trust and confidence, transparency, bringing attitudinal change in employees and employees' unions is the prime responsibility of the top management. People with self-motivation can drive themselves to incredible levels of excellence. At the time when the concept of "cradle to grave" approach is fast assuming, "environmental relations" are replacing traditional industrial relations, and at the click of mouse the information is pouring down; and to cater to the needs of creative customer at this cut throat competition, the CEO cannot be a silent spectator lest he shall be on the brink of extinction. For example, in India employers like Tata (TCS, Telco and TISCO) have their own townships and take complete care before employees step into any employee grievance/welfare.

Performance appraisal helps the employee to overcome his weaknesses and improve over his strengths and thus enable him to improve his performance and that of the department. Generate adequate feedback and guidance from the reporting officers to the employee. Contribute to the growth and development of the employee through helping him in realistic goal setting. Provide inputs to system of rewards comprising salary increments, appreciations, additional responsibilities, promotions, etc., and salary administration. It helps in creating a desirable culture and traditions in the organisation. It also helps identifying employees for the purpose of motivating, training and developing them. Generate significant, relevant, free and valid information about employees. The appraisal of employees' potential is done in an objective and systematic manner, yet the satisfaction level of managerial respondents
is less than overall satisfaction level. It is suggested to devise some more meaningful
techniques of performance appraisal to make managers happier.

The organizational set up of human resource and general services department
is plausible in ICICI bank. But in some branches the authority and responsibility
relationship was not clearly defined. What is suggested is that the principles of
organisation structure should be followed in a systematic manner. At the outset, there
must be clear lines of authority from the top to the bottom of the bank. No one in the
bank should report to more than one officer. Everyone in the bank should know to
whom he reports, and who reports to him. The responsibility and authority of each
officer should be clearly defined in writing. Responsibility should always be coupled
with corresponding authority. The responsibility of higher authority for the acts of its
subordinates should be absolute. The authority should be delegated as far down the
line as possible. The number of levels of authority should be kept at the minimum.
The work of every person in the organisation should be confined as far as possible to
the performance of a single leading function. Whenever possible, line functions
should be separated from staff functions. There should be a limit to the number of
positions that can be coordinated by a single executive. The organisation should be
flexible, so that it can be adjusted to changing conditions. The organisation should be
kept as simple as possible.

The majority feel that the work environment is safe and not detrimental for
health. Besides, only few of the respondents said that their jobs are stressful. As
there are no perils in the vicinity, there may not be a need to give a top emphasis to
the safety precautions. On a question whether this bank spends enough money on
health-related matters of the employees, there was a lowest mean score from non-managerial side. The bank is advised to provide better health care to this category as their need are greater than managerial respondents due to the fact that there financial resources are limited.

On internal employee relations view points between the management and non-management participants was not discerned. Both are satisfied with the existing relationship and agreed that there is still a wide door for improving the internal employee relations especially on areas of disciplinary measures and grievance handling.

Undoubtedly, ICICI bank is the second largest bank of India. The study has also revealed that the HR policies and practices of ICICI bank are fully geared towards meeting challenges of expansion taking place in the Indian banking sector. But in the era of globalization and privatization, if the ICICI bank has to emerge more successful, it would need to build superior strategies and skills, systems and structures in relation to its competitions. In order to identify appropriate competitive strategies, ICICI bank will have to make a careful study of the market and segment customers into various categories based on their expectations, the extent of competition, customer profitability etc. This requires a change in the attitude of managers at all level. Towards this objective HRD function assumes a very significant role in shaping the destiny of the bank. As a function, bank should empower HR to become a motivating arm rather than just a hygiene arm. Only then will human resources be able to play a strategic role in the future. Moreover, the bank will be capable to
handle more significant role and responsibility towards the government, its shareholders and society at large.

**Direction for Future Research**

The present study has elaborately dwelt at human resource management instrumentalities in terms of planning, recruitment, selection, training and development, reward systems, performance appraisal, career development and counseling and organizational culture and effectiveness in banking sector particularly referring to private sector banks. In view of the gaps in the present study, further research can be undertaken to with reference to following areas of Human Resource Management:

2. A Study of Performance Appraisal of Employees in Banking Sector in India
4. A Study of Employee Turnover in Commercial Banks in India with special reference to Private Sector Banks
5. Knowledge Management in Banking Sector in India
6. Career Development in Banking Sector in India with special reference to ICICI Bank
7. Remuneration Management in Commercial Banks- A Case Study of Public and Private Sector Banks in India.