CHAPTER I

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Introduction

India witnessed a spurt of corporate activity following a policy of economic liberalization beginning in 1991. India's liberalization and economic restructuring programme was triggered by a serious balance of payments crisis when its foreign exchange reserves touched their all time low at a mere billion dollars. IMF and the World Bank agreed to help India avert the crisis with structural adjustment loans. The ensuing liberalization included a process of macro-economic stabilization (devaluation of the rupee, reducing fiscal deficit and reducing government expenditure, reduction of some subsidies, controlling inflation), phased deregulation and elimination of the license regime to bring in competition, opening of economy to foreign and private investment, rationalization of tax structure, healthier functioning of capital markets, increase functioning autonomy of PSUs and implementation of safety nets for those hurt by structural adjustment programme. The opening of the Indian economy witnessed an inflow of foreign capital with an increasing number of multinational firms commencing operations (Gopinath: 1998).

This was the initial phase of liberalization. During the second phase of liberalization process (post 1996–1997) Indian firms witnessed a turbulent era in the form of hyper-competition (Venkata: 1995; Budhwar and Sparrow: 1998; Khandwalla: 2002; Som: 2006). Liberalization created intensive competition through easier entry and greater foreign participation. It opened up many opportunities for
growth because of the removal of artificial barriers on pricing and output decisions, investments, mergers and acquisitions, JVs, technology imports, import of foreign capital etc. It enabled corporations to expand, diversify, integrate and globalize more freely. Economic restructuring also had a profound impact on effective management of organizations and performance (Som: 2006) in the face of superior competition (Khandwalla: 2002).

To face the challenge of competition Indian firms embarked upon a change process that brought about a transition employee profile, the demography, de-skilling, re-skilling and multi-skilling, and issues related to work-force reduction (Venkata Ratnam 1995; Budhwar and Sparrow 1998; Gopinath 1998; Chatterjee and Pearson 2000). All this had direct implications for HRM in India (Krishna and Monappa 1994) and Indian personnel specialists were under pressure to bring about large-scale structural changes in their organizations in order to cope with the challenges brought by economic liberalization. Post-liberalization, these were the considerable changes in the business environment for firms operating in India. Now almost every organization is facing the following challenges for which people and their development are quite necessary for meeting these needs:

> Improve the quality of its output;

> Reduce Costs;

> Improve Productivity;

> Enhance Customer Orientation; and

> Become a learning Organization.
To grow and thrive in today’s competitive environment, organizations must deal with several major challenges. First, they must provide ‘value.’ How human resources are managed is crucial to the long-term value of a company and ultimately to its survival. Noe, et. al (2000) contends that value not only includes profits but employees’ growth and satisfaction, additional employment opportunities, protection of the environment, and contributions to community programme. Employees' day-to-day work, experiences and perceptions of organizational values, support and justice are shaped largely by human resources management (HRM) policies and practices. Keeping in mind, the activities that must be compatible with one another and with the overall strategy of the company, managers can affect a number of factors such as employees' competence and commitment by means of policy choices.

This, by and large, depends on the presence of well-organized human resource planning and how motivating, flexible, lean, comprehensive and comprehensible the human resource management is. The HRM policies are fundamentally expected to override the human resource practices. Human resource policies are a predetermined guide established to provide direction in decision-making. As guides, rather than hard and fast rules, policies should be somewhat flexible, encompassing interpretation and judgment in their use. This is where the art of management comes into picture. As explicated in the objectives of the study, one should address how crucial role the human resource policies and practices have to play in spearheading the pace of a bank's progress. Unless a bank maintains workable policies and has all it takes to implement its commitment ascribed by the policies, it will find it very difficult to survive, live alone to flourish in the prevailing competitive economic environment.
In view of this fact, organization must have potential human resource planning and policy statements that help the organisation reach its goals, enable it to employ the skills and abilities of the work force efficiently, facilitate for the provision of a well-trained and well-motivated employees, assist to bring about employee's job satisfaction and self-actualization, lay the ground to develop and maintain a quality of work life that make employment in the organisation desirable, guarantee the appropriate separation of employees, and in adequately and effectively communicating to all employees. The aforementioned statements incorporate almost all aspects of human resources management, policies and practices. If these issues are adequately addressed, the researcher believes that the stakeholders, i.e. the management, the staff, and the public at large would be in a better position to benefit from the overall operation of the bank for which, the human resource is the nucleus.

The present study entitled, “HRM Policies and Practices in Commercial Banks in India with Special Reference to ICICI Bank Ltd.” has attempted to address research questions/ problems wrapped up in the statement of the problem and objectives of the study. To a varying degree of emphasis, the overall process of the human resource management activities, are discussed. Assessment of HRM is possible only when such planning and policies are in place in the bank. To do so, a good deal of related literature was reviewed and textual concepts on the relevant topics were consulted. Moreover primary and secondary data from the bank have also been collected, compiled, analyzed and interpreted. Based on findings of the study it is hoped that the stakeholders will find a basis for informed decision-making through the assessment on the level of understanding of the importance, impact and relevance of human resource management planning and practices.
Review of Related Literature

Since the main purpose of survey of literature is to give insight as to how the subject matter is dealt, the researcher has opted to summarize the findings and conclusions of the studies conducted by different researchers in the field of HRM in India and even abroad.

Krishnaswamy (1985) in his paper captioned, “Manpower Planning and Practices in Indian Manufacturing Sector” has made an attempt to identify the nature and characteristics of manpower planning activities practiced in Indian manufacturing organizations. Questionnaires received from 45 firms and interviews with personnel managers, industrial engineers, and heads of the divisions from 23 firms comprised the database. All the organizations examined carried out functions associated with the manpower planning either in a fragmentary way or in totality, either sporadically or continuously. In forecasting the manpower planning requirements, larger companies adopted several approaches, while smaller companies used single approach. Less than 50 per cent of the companies used systematic manpower inventories and the manpower audit was systematic in only 20 per cent of the companies, primarily the large ones. The reasons found for the employee’s turnover included better career prospects and adjustment problems with peer groups. Thus, companies need to provide adequate career opportunities and the personnel department needs to watch the ‘peer group’ relationship of key personnel.

Ravishankar and Mishra (1985) in their study titled, “Management of Human Resources in Public Enterprises”, provided an understanding of the system of HRM rather than merely the activities assigned to those who provide various personnel
services for effective public enterprise management. They also gave a balanced and comprehensive grasp of the concept, problem, approaches and strategies of HRM.

Jain (1991) in his study titled, “Is there a coherent Human Resource Management System in India?” has sought to explain that while most of the human resource management policies in India have been borrowed from a Western context, many of the modern Western ideas and theories do not always work in practice because there is a mismatch between the Western management theories and the Indian culture and value system. To examine the gaps between the human resource management policies as laid down in company publications and the actual practices followed by the companies in the public and private sectors and by multi-nationals in India, the practices in eight firms are examined. It is found that no coherent unified management system that can be called ‘Indian Management’ exists. Inconsistencies are apparent and real contradictions abound. There is pressure on managers in almost all the organizations in India to get things moving and to keep firms economically viable on a sustained basis. The management techniques and practices are selected that are likely to be congruent with the expectation of the people being managed and are in tune with the management styles and value orientation of key managers.

Sharma (1992) in his research paper captioned, “Lack of Manpower Training in India-Causes and Characteristics” has discussed that lack of management training in India is quite rampant and structurally small and medium sized organizations and a number of managers exhibit greater tendencies to be non-trainers. Organizational size is negatively correlated to management training of the many suggested causes of lack of management training in India. Financial constraints were reported as the single most important factor by 89 per cent of the respondents in a recent survey. Realizing
the worth of management training, almost 3/4 of the non-trainees hoped to initiate the management training in future. However, there were some conditions attached to embracing it as an integral part of their strategy. Non-trainers were asked to express their opinion about the importance of various skills from a list of 6 generals and 7 functional skills, the response pattern is more pronounced with high degree of unanimity compared to junior or middle levels. With so much as stake from the small organizations’ perspective, some regulatory mechanism will have to be instituted if the existing situation is to be salvaged.

Rao (1993) in his publication entitled, “Management of Human Assets”, threw light on the complexities of managing human beings in the present day organisations. The various aspects of personnel management in relation to small scale units operating in industrial estates have been presented initially followed by theoretical presentation on personnel management. Different aspects of training, organizational development, employee coordinating activities have also been put to close examination. It also attempted to find out how do employee related activities flourish in various other sectors like urban government, co-operatives, informal sector and small scale sectors.

Luther (1995) conducted study of “Resource Management – Career Development”. He found that the growing demand for right type of personnel in an organisation is tremendous due to changing economic scenario in India. The organisations are becoming international in their operations and perspective. To withstand the international competition, organisations should develop quality, cost consciousness and productivity and no doubt that human resources planning and career development are two pillars in which the organisations stand strongly.
Murty (1995) conducted a study of Human Resource Management and Accounting in Construction Industry. He has rightly observed that the management accountants in construction companies should realize that the time is ripe to break the ice and start introducing HRA in the companies they work. As the oddities are more in this task, the introduction of HRA requires detailed planning, sustained efforts and longer time to implement. The professional bodies like the Institute of Cost and Works Accountants of India (ICWAI), Calcutta, and the National Institute of Construction Management and Research, Bombay, should also think about it and guide the construction companies in imbibing this modern tool of Management.

Wilkinson (1995) in his paper captioned, “Towards HRM - A Case Study from Banking” has analyzed that HRM has been much talked about and written about in recent years. For some, it heralds a new age where human resource issues, at last, become significant in the consideration of business strategy and HR practitioners, at last, attain a place in the sum. However, much of the debate has been conducted in purely theoretical terms covering HRM definitions and meanings. But, what is happening on the ground? Are HRM ideas changing policies? Are polices translated into practice. His case study seeks to critically examine the development of HR strategy in a bank. The experience suggests that, whilst HR type policies are being implemented, the outcomes can by no means be taken for granted.

Bangar (1998) in his empirical study on “Human Resource Development, Careers and Skills” has examined the rapid changing environment in different industries with regard to the technological advancement, specifically in the field of satellite and communication technology. Stiff competition in the market place, expectations of enrich quality, novelty items and non-availability of skilled manpower
on reasonable price are forcing the organization to adopt different strategies to meet
the challenging tasks of improving the productivity and competitiveness. While every
factor of production has a contribution to make towards productivity, improvement in
human resource has a far more significant role to play. In today's corporate culture, it
is realized that the employees are the organization's most valuable assets. The basic
concept of manpower planning in an organization involves reconciling employee's
needs and aim with the employer's requirement for staff with specific levels of
hierarchical responsibility. This means identifying an individual's potential and on
that basis, planning an employee's education, training and career development. It can
be concluded that there is dearth of research in the field of manpower in India as
compared to the work done in Western countries.

Budhwar (2000) in his research on "Determinants of HRM Policies and
Practices in India: An Empirical Study", made an attempt to examine a number of
factors that influence human resource management policies and practices. The
empirical study examines the main contingent variables and national factors
influencing Indian HRM. The investigation is based on a questionnaire survey carried
out in 137 Indian firms in the manufacturing sector. The results suggest a number of
significant conditions between a set of contingent variables (i.e., age, size, ownership,
life cycle stage and HRM strategies of an organization, type of industry and union
membership) and four HRM functions of recruitment and selection, training and
development, compensation and employee communication. Similarly, four national
factors (namely national culture, institutions, dynamic business environment and
business sector) are suggested, which influence Indian HRM policies and practices.
The study has a number of implications both for academicians and practitioners. It has also opened avenues for future research.

Paul and Hasan (2002) in their study, “Influence of HRM Practices on Organizational Commitment: A Study among Software Professionals in India” bring to light that although organizational commitment has been discussed frequently in organizational psychology for almost four decades, few studies have involved software professionals. The study further reveals that HRM practices, such as employee-friendly work environment, career development, development oriented appraisal and comprehensive training, show a significant positive relationship with organizational commitment. The study results emphasize the role of such HRD variables as inculcating and enhancing organizational commitment, and suggest that Human Resource Development practitioners and researchers should further develop commitment-oriented organization policies.

Bhardwaj (2003) made “A Comparative Study of Human Resource Management Practices and Advanced Technology Adoption of SMEs with and without ISO Certification”. The findings show that there is a significant difference between firms with and without ISO 9000 certification with respect to the HRM practices and advanced technology adoption. It shows that small manufacturing enterprises have embraced advanced technologies overwhelmingly compared to non-ISO certified firms.

Chandran (2003) in his research paper captioned “Human Resource Accounting in India” highlighted the most important asset of the company i.e., human resource and its valuation. Initially, human assets were supposed to be necessary and
it was simply difficult to value them as there was no such parameter to value them but slowly, with the progress and advancement in the field of technology, human element started getting importance and got recognized in early 1990's and in 1995-96, Infosys-technologies became the first software company to value its human resources. He explained that the employees are the most valuable resource unlike any other resource of the company.

Grainger and Miyamoto (2003) in their paper captioned, “Human Values and HRM Practice: The Japanese Shukko System” discussed the aspects of the Japanese human resources management system to illustrate the underlying significance of human values in Japanese organizational management, with a particular aspect of Japanese human resource management used as an illustrative case. Relevant literature is reviewed to introduce the relational Japanese management and human resources management (HRM) systems, and to explain the system of inter-firm employee transfer within the corporate group known as the 'shukko' system. The paper then discusses various impacts of this HRM practice upon major stakeholders and identifies otherwise redundant employees as major beneficiaries of the system, thereby demonstrating that human values are critical to the conceptualization and application of Japanese human resources management practices.

Shipton et. al (2004) in their publication titled, “Managing People to Promote Innovation” found that there is growing evidence available to suggest that Human Resource Management (HRM) practice is an important predictor of organizational performance. Drawing upon organizational learning perspectives, they argued that HRM systems also have the potential to promote organizational innovation. They presented longitudinal data from thirty-five UK manufacturing organizations to
suggest that effective HRM systems—incorporating sophisticated approaches to recruitment and selection, induction, appraisal and training—predict organizational innovation in products and production technology. They further showed that organizational innovation is enhanced where there is a supportive learning climate, and inhibited (for innovation in production processes) where there is a link between appraisal and remuneration for the organizations in their study.

Khan et.al (2005) in their study captioned, “Managing Human Resource in Business Process Outsourcing in India for Global Competitiveness” found that stress problem, unrealistic target, monotonous jobs, rude customers, safety of female employees, health problems are some major issues that essentially evoke a set of strategy to overcome these problems. The go home message for BPO companies is to wipe out these problems by implementing employees orientation programmes, freedom to choose flexi-time, workshop on spiritual exercise, proper break in working hours, proper exit interviews, honing the employees through proper training, proper succession planning, transformational leadership, employee satisfaction surveys, rewards and recognition programme. Implementing these strategies, in letter and spirit, will sanguinely set the stage which will help the employees becoming globally competitive.

Rizvi and Akhtar (2005) concluded in their paper entitled “Human Resource Management in Insurance Industry—Emerging Dimensions and Trends”, that the HRM is vital for the success and survival of the Indian Insurance Industry. In this competitive environment, companies need to focus on the recruitment, selection, training, compensative, retention and performance of its agent force.
Ghebregiorgis and Karsten (2006) in their research project captioned, “Human Resource Management in Eritrea: Current and Future Trends” focused on HRM policies and practices such as: recruitment/selection, training/development, compensation, employee performance evaluation, reward systems and industrial relations. The paper reviews and describes HRM practices and examines the evolving context in which HRM is taking place. Hence, the main objective of this paper is to review the nature and scope of HRM in Eritrea and the factors that affect it. Specifically, the paper tries to explore to what extent are Eritrean organisations translating Western HRM practices and policies. This paper has four sections. The first section presents the introduction, research methodology and the cultural background of Eritrea followed by the current trends in HRM in section two. Section three describes the future trends in HRM in Eritrea. Finally, section four provides conclusions and research implications.

Gooderham et.al (2006) in their study entitled, “The Impact of Human Resource Management Practices on the Performance of European Firms”, analyzed the relationship between HRM practices and perceived firm performance in 3,281 firms located in European Union countries using data derived from the Cranet data set. A factor analysis of 80 different HRM practices resulted in 15 bundles of HRM practices which were then further categorized as being either “calculative”, “collaborative” or “intermediary”. While controlling for firm strategy, firm size, market conditions, degree of unionization, industry and country the resulting analysis indicates that while five of the six calculative practices and both of the intermediary practices have a significant impact on performance none of the seven collaborative
practices has. It was further noted that the overall effect of HRM on performance was relatively modest.

Onishi (2006) in his case study captioned, “The Transferability of Japanese HRM Practices to Thailand” examined the transferability of Japanese human resource management to Thailand. Attitudes toward life-time employment, seniority system, consensual decision-making, quality circles, and house unions were considered. The sample included 560 managers and staff of Japanese companies in Thailand. The results indicate that all five practices except seniority are transferable. The Thai employees have more positive attitudes toward consensual decision-making, quality circles and house unions than the Japanese managers in the Japanese manufacturers in Thailand. Some Japanese managers think that consensual decision-making and quality circles are not appropriate or accepted in Thailand. This belief may limit the implementation of these practices. Regarding seniority, both the Japanese mangers and the Thai employees agreed that performance should be evaluated by achievement, but years of service should be part of any evaluation criteria.

Ozcelik and Ferman, (2006) in their study examined the competency approach to human resources management (HRM) in organizations through a review of literature and theories on the competency perspective. Building on previous theory and some empirical evidence, a new competency framework is developed. The main purpose of the study is to examine the effectiveness of the competency approach as a human resource strategy for promoting expected roles, skills, and behaviors in organizations. The study also examines potential challenges to implementing a competency approach to HRM in a special cultural context. This is provided by a case study in a multinational, fast-moving, consumer goods company in Turkey. One of
the findings of the study is that there are challenges to implementing the competency approach due to the cultural differences between home and host countries. If properly designed, however, the competency approach can enhance selection, development, promotion, and reward processes to meet both individual and organizational needs.

Som (2006) attempted to analyze the “Bracing MNC Competition through Innovative HRM Practices: The Way Ahead for Indian Firms” and commented that with increasing globalization, firms are entering a dynamic world of international business that is marked by liberalization of economic policies in a large number of emerging economies like India. To face the challenge of increasing competition that has resulted from liberalization, Indian organizations have initiated adoption of innovative human resource management practices both critically and constructively to foster creativity and innovation amongst employees. With the help of eleven in-depth case studies, the article lines to understand how innovative HRM practices are being adopted by Indian firms to brace competition in the post-liberalization scenario.

A study on the Impact of Strategic Human Resource Practices on Organizational Performance published in Journal of Transnational Management (2006) explores the possible relationship between use of strategic human resource policies and the financial performance of manufacturing and service firms in India. The study assumes that there is a link between the business strategy pursued by a firm and its human resource policies and practices. It is also assumed that there is a 'fit' aspect (external and internal) between the business strategy and the human resource policies. The ‘External-fit’ is the extent the human resource planning and implementation process is part of the strategy process in the organization. Data was collected using a structured questionnaire from 115 firms representing manufacturing
and service sectors in India. ANOVA results show that firms pursuing different
business strategies have different degrees of the 'external-internal fit' of human
resources. Also, firms pursuing different business strategies use different levels of
strategic human resource practices. The 'external-internal fit' of human resource
shows significant variance in the use of strategic human resource practices. The
multiple comparisons indicate that the use of strategic human resource practices is
more among firms having higher fit. The ANOVA test also confirms that the degree
of 'external-internal fit' of human resources and use of strategic human resource
practices has significant variance for all the three financial variables. Return on
capital, return on-Net worth and Tobin's q. Regression result shows a difference
between the manufacturing and service sector firms in the variability of all the
dependent variables viz. strategic human resource practices and financial performance
variables of Return-on-Capital”, Return on Net Worth” and “Tobin’s q’.

Biswa et. al (2007) in their study on “Human Resource Management -
Individual Behaviour and Organizational Effectiveness” observed that a study in
Indian Organizations strives to chart out the linkage between a firm’s human resource
management practices, their effect on individual organizational member behaviour,
and ultimately, the enhancement of organizational efficacy. It is a study of Indian
organizations which, over the past decade, have been undergoing quite a few changes,
especially in terms of managerial philosophies and tendencies. Data were collected
from three hundred and fifty seven managerial level employees. The result indicates
that, while human resource management can indeed become a business’ Strategic’
partner, it needs to focus upon individual needs and requirements, especially those
that are intrinsic in nature. In the context of Indian business scenario, the study reveals
that human resource management should also take into account the dominant social norms and values while formulating the policies and practices that can enhance organizational effectiveness.

Chatterjee (2007) evaluated “Human Resource Management in India—Where from’ and ‘Where To’? He brought to light that India is being widely recognized as one of the most exciting emerging economies in the world. Besides, becoming a global hub of outsourcing, Indian firms are spreading their wings globally through mergers and acquisitions. During the first four months of 1997, Indian companies have bought 34 foreign companies for about U.S. $11 billion dollars. This impressive development has been due to a growth in inputs (capital and labour) as well as factor productivity. By the year 2020, India is expected to add about 250 million to its labour pool at the rate of about 18 million a year, which is more than the entire labour force of Germany. This so called ‘demographic dividend’ has drawn a net interest in the Human Resource concepts and practices in India. This dissertation traces notable evidence of economic organizations and managerial ideas from ancient Indian sources with enduring traditions and considers them in the context of contemporary challenges.

Pio (2007) in his empirical study on “HRM and Indian Epistemologies-A Review and Avenues for Future Research” has examined that India is emerging as a super power, stated to be among the world’s five largest economies and viewed by international investors and business conglomerates and tertiary education depicts it as a land of opportunity. A database search, since the opening up of the Indian economy in 1991, reveals a slowly increasing number of scholarly articles on HRM, with a steep increase from the year 2000 onwards. While it is acknowledged that the field of
HRM is a broad area, there is currently a dearth of research in specific HRM practices and policies in India to warrant a focus on only one area. Hence, the primary objective of this research is to present a scholarly survey of important research literature in the area of HRM in India, and to offer avenues for future research. To this end, it gathers, integrates and discusses research on HRM in India with a focus primarily on the past fifteen years. It is within this complexity that research on India and its workforce is presented by illuminating HRM as embedded in the Indian environment with its intricate epistemologies and transitions in a period of dynamic change.

Garg et. al. (2008) conducted a study of HR Practices in the Indian Financial Sector. They found that the Indian financial sector is currently witnessing rapid growth and expansion. But the HR policies, systems and processes are not fully geared towards meeting the challenges of expansion taking place in the Indian financial sector. With human capital being a key driver of organizational success in the service industry, this needs to be seriously looked into. Rather than enabling HR to be a source of competitive advantage for firms, an unplanned and ad hoc approach towards HR can become a barrier for success in the future. As a function, organization 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.

Olekar (2008) in his paper "Consolidation in the Banking Industry: HR Challenges, Consequences and Solutions" has studied that the consolidation process is a change initiative and, as such, is in every stage of integration process. HR issues are quite dominant and thus, sorting out human issues arising out of the consolidation exercise, especially in service industry like banks, are more challenging. It has assumed importance not because human being is involved but due to its significant
characteristics viz. sensitiveness, reactiveness and responsiveness towards biological actions and also due to the value attached to it. If the banks do not give required and timely attention to the human issues, the entire excise, which otherwise would have been a perfect consolidation effort, will become a futile excise.

Pillai (2008) conducted a study of “Influence of HRD Climate on the Learning Orientation of Bank Employees” has shown that the employees are the greatest asset of any organization. The proficiency of employees plays a vital role in the context of diverse challenges faced by the contemporary organizations. Talent management, employee engagement and employee retention have become the key concerns of HRD professionals. This is of greater relevance for the banking industry, being one of the highly HR intensive sectors. In order to maintain and develop their competencies, the employees should have an open mind for learning and change. This proactive approach can be generated by providing adequate opportunities as well as motivation for the employees by fostering a supportive and favourable climate for learning in organizations. This dissertation is an attempt towards analyzing the influence of the HRD climate existing in banks on the learning orientation of the employees.

Scope of the Study

Undoubtedly, the scope of the topic is quite wide. Given the constraints listed in the limitations, it was not found feasible to go deep into each and every issue of human resource policies and practices. However, efforts, were exerted to review available literature on the study topic giving due attention to the most important aspects of the study. To this end, doctoral theses, Internet research results, research
journals, and other sources were carefully looked into to get a good deal of acquaintance as to how these research products have dealt with the subject matter.

From all the areas, the researcher sought to get the literature, but no study under this topic on the bank was found. Even those made on other institutions were found to have specialized in one or few of human resource management issues rather than in a comprehensive manner. Therefore, the researcher was obliged to depend on the available literatures, which studied on different aspects of human resource policies and practices. However, the researcher believed that it wouldn't be appropriate to generalize the findings and conclusions of those studies to the bank in view of the fact that the very nature of the issue has in it the peculiarity to the company under consideration. Consequently, it was found necessary to conduct the research on selected HRM policies and practices in the ICICI Bank.

**Objectives of the Study**

The present study has been conducted to pursue the following broad objectives.

- To thoroughly review the literature available on HRM policies and practices;
- To review the conceptual exposition of HRM policies and practices;
- To have an overview of the selected HRM policies and practices of ICICI Bank;
- To study the effectiveness of HRM policies and practices in ICICI Bank through perception of managerial and non-managerial personnel of the bank;
➢ To highlight the strong areas of HRM policies and practices in ICICI bank as claimed by the management;

➢ To identify issues of HRM policies and practices which in the perception of managerial and non-managerial personnel of ICICI Bank have not been properly attended; and

➢ To suggest the necessary corrective measures on the basis of the findings of the study.

Hypotheses of the Study

In order to pursue the objectives vis-à-vis actual facts prevailing in the ICICI Bank, the researcher developed the following hypotheses in the thesis. Apparently, the hypotheses are not exhaustive. However, they are believed to be representative.

\( H_1 \) Merit has been the major basis of the recruitment and selection of managerial and non-managerial employees in the bank.

\( H_2 \) Training and development policies and practices for managerial and non-managerial employees have largely been up to the mark as per requirement in the bank.

\( H_3 \) The performance appraisal of managerial and non-managerial employees in the bank has largely been done in an objective manner and on regular basis.

\( H_4 \) Managerial and non-managerial employees in the bank have largely been satisfied with the pay packages, excluding fringe benefits.

\( H_5 \) Managerial and non-managerial employees in the bank have largely been satisfied with the fringe benefits.
H₆ Promotion policy of the bank for managerial and non-managerial employees has not been fully transparent, objective and performance based.

H₇ Managerial and non-managerial employees in the bank have largely been satisfied with the retirement benefits.

H₈ Managerial and non-managerial employees of ICICI bank have equally been satisfied with the overall HRM policies and practices of the bank.

To test these hypotheses, the following methodology was applied:

Research Methodology

Study Design

From the reason that emanate from the nature of the subject and its scope, the type of study adopted is basically explanatory / analytical. A simple random sampling technique has been employed in order to draw reliable conclusions. However, one of the best methods of the study would have been to conduct a survey of all the branches of ICICI Bank in India. But since this would have been is a very large and time consuming project, it has been decided to use case method. Thus, a sample of 40 branches of U.P. Uttrakhand, and Delhi has been considered as the modest number from the point of view of feasibility of accessibility, cost and time.

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 personnel 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. Needless to mention that the
researcher had to meet them invariably to explain and also to convince them to respond fairly and fearlessly on the assurance that their identities will not be disclosed to the top management and their support will help improve the pattern of human resource management policies and practices not only in the selected branches but also in other branches of ICICI Bank in the country. Luckily, all the respondents were highly qualified and cooperative; hence the researcher did not have any difficulty in explaining them the statements and getting the questionnaires back from them.

Measurement

For the reason indicated in the limitations of the study section, the project has revolved around and considered only HRM policies and practices in the ICICI bank. No attempt was made to collect data from other banks to make comparison with that of the ICICI bank. Therefore, the data so acquired has been used to make comparison of relevant variables by calculating percentages and ratios vis-à-vis total sample size. To draw more meaningful conclusions, statistical tools such as mean scores, standard deviations, chi-square test have been applied. Besides, to address the research question, single-sample t-tests have also performed on each questionnaire item to determine whether the mean response to that item indicated a favorable or unfavorable attitude toward the HRM practice it represented. Each t-test determined whether the mean response deviated significantly from 3.0, which indicates neutrality.

Instruments of Data Collection

Relevant and reliable primary and secondary data for the study were collected. A well-designed and comprehensive questionnaire was developed to assess the selected components of the company’s HRM system. The questions focused on HRM
policies and practices with respect to managerial and non-managerial employees. A total of 38 items were used to measure variables that capture aspects of selected HRM practices, such as, recruitment and selection, compensation, promotion, performance appraisal, training and development and some of the retirement benefits. It also addressed the respondents' attitudes and perceptions of several aspects of their work environment. The questionnaire used a five-point Likert scale, with response options ranging from 1 (strongly disagree) to 5 (strongly agree). Moreover, informal discussions with the management and staff of the bank have also been done. Secondary data was gathered from books, journals, magazines, bulletins, newspapers, conference proceedings, personnel records and annual reports of ICICI Bank, newsletters, collective agreements, proclamations, websites etc.

**Presentation Instruments**

The data collected through primary and secondary sources have been analyzed and presented in statistical tables, schedules, pie charts, graphs, etc.

**Limitations of the Study**

In the present study, the researcher has made all possible efforts to extensively cover almost all important aspects of HRM in commercial banks with special reference to ICICI Bank. But in the endeavour, the researcher had to undergo a number of difficulties at all stages in completion of this thesis. Firstly, the reluctance of the management of ICICI bank to provide sufficient data was a big hindrance to draw the desired results. Secondly, the research project had no financial sponsor. Consequently, it could not be extended to cover other similar institutions, which would have given a better feedback to the management of the banks. Besides, time
has been an omnipresent constraint. The study was, therefore, confined to exploring and analyzing the selected HRM Policies and Practices in ICICI Bank. Besides, the researcher, while surfing the Internet to find if there are similar researches made on the subject, the reply she got from her endeavour was, 'there is no such thing as a free lunch.' Almost all research papers on the internet requested for payment via credit cards which unfortunately was not within the reach of the researcher. There were no theses and dissertations that dealt with similar comprehensive topic. Consequently, the literature reviewed from these materials covered only one or two, or few more separate issues of HRM policies and practices in different organizations.

Another constraint was that, despite a relentless effort, the researcher could not have a discussion with the bank's top executives. As was informed through an assistant, the executives could not be available due to busy schedules. Besides, due to global meltdown, most of the employees were subdued, uncooperative and reluctant to respond due to fear of losing their jobs if they speak against the bank. This could hardly leave a deep impact upon the findings of the study. Even as it is, the research findings bring within its fold a number of aspects relating to HRM system in the ICICI Bank. But it should be made clear here that the study pertains to a selected number of branches; the results presented in it are not the representative of the state of HRM practices in the ICICI Bank as a whole.

Structure of the Thesis

In order to pursue the objectives of the study, the chapters of the study are as follows:
In the first chapter, an attempt has been made to enlighten about the whole research by stating the statement of the problem, review of literature, scope of the study, objectives of the study, hypotheses of the study, limitations of the study and plan of the study etc.

The second chapter deals with the concepts and philosophies of human resource management as approached by various scholars. It also deals with the functions and importance of human resource management.

Third chapter entitled, “Development of Commercial Banks in India” has tried to give a better insight than the study proposal about the evolution of banking system, performance and growth of commercial banks in India.

In the fourth chapter, an attempt has been made to study selected HRM policies and practices of ICICI Bank, Moreover, the performance and growth of ICICI Bank has also been discussed in this chapter at length.

The fifth chapter is an empirical presentation of primary data collected through questionnaire from staff as well as from the management team members of the sampled branches of ICICI bank. The pursued hypotheses have also been tested in this chapter.

In the sixth and final chapter important conclusions have been drawn in the light of findings of the study. Besides, important suggestions have been made on the findings.
References


