CHAPTER 3
HUMAN RESOURCES DEVELOPMENT IN SBM

3.1 Introduction

Study of modern management has come a long way, since the day in 1990, when Fredrick W. Taylor propound his theory of scientific management, system application, personnel management, co-operation between labour and management, high wages, functional organization, method and time study.

The behavioural school emerged shortly out of early efforts of Gantt and Munsterberg. They reasoned that in as much as managers get things done through people. The study of management must be centred on the workers and their interpersonal relations. The behaviourists concentrated in motivation, group dynamics, individual drives and group relations and so on. Henry L. Gantt in 1901 brought about first humanist approach in the modern management. He thought about management's responsibility for training of workers and demonstrated an almost passionate concern for the individual workers as an individual. Elton Mayo, who conducted the famous study at the Western Electric's Hawthorne Works, published in the book 'The Human Problems of an Industrial Civilization' in 1933, that work arrangements in addition to meeting the objective requirements of production must, at the same time satisfy the employee subjective requirement of social satisfaction at work place. Through the work of Mayo, new dimension was added to the existing concepts of management – that to be effective, a manager must recognize and understand the individual as a person with wants, motives, drives and personal goals that need to be satisfied.

After the great turmoil of Second World War, human relationship approach gained momentum with the effort of Max Waber, Rensis Likert and Chris Argyris
who placed emphasis on psychology and research in human relationship in organization theory and incorporation of an open-system theory of organization. In 1955 Herbert Simon, Haro J. Leavjit and Robert Schlaifer gave focus on human behaviour in decision making viewed it as an identifiable, observable and measurable process and emphasized to the need for giving more attention to managerial psychology. A new human relations school was born and HRD came as a structured derivative of the entire process.

3.2 Human Resources Development

Changes are all around. There is change in the environment, culture, demography, States' economic policy, Organizations’ priorities, profiles of employees and above all in technology, which has brought about new challenges, new opportunities, new knowledge and skills. In the work environment the following changes have recently been emerged in, mainly by Information Technology:-

1. To remain competitive, organizations are becoming more and more
2. Concerned about improvement of quality and at the same time about control of cost. To this affect, they are going for re-structuring and employees in various ways.
3. The process involves a shift towards more flatter structure than hierarchical ones, relying more on co-ordination mechanism and empowering employees in various ways.
3. With the rapid growth of technology, number of products and services are increasing, so increasing is the demand of customers. As a consequence to develop and deliver the products to varied customers, organizations are becoming more differentiated and complex.
4. Intense Competition among organizations, different units of same
organization and individuals seems to be potentially destructive, which demands me collaboration and co-operation.

5. Human organisms depend on certain level of predictability and stability in their environment. In a highly competitive situation, as jobs become more conceptual and levels of responsibility increase, level of stress and anxiety also rise at levels of the organization. When people are anxious, they are eager to share that with others. 21st century may witness for more insensitive and deliberate attempts of closing ears and eyes on people. In-group dynamics, management of shared anxiety is likely to pose a serious challenge.

6. Organizations are likely to have more percentage of knowledge workers.

7. Talent is likely to be a scarce commodity and highly mobile.

Nevertheless, amid so much change, management’s essential task remains the same, to enable people to work together so that their strengths are magnified and their differences minimized. The managers, who truly understand and act on this, leave as their legacy, both greater capacity to produce wealth and greater human vision. B.V.Nair, suggests the following ‘paradigm shift towards 2000 AD’.

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[Source: Nair, 1990]
The greatest competitive challenge, companies face today is adjustment to non-stop change. Constant change means organizations must create:

1. Healthy comfort with the status quo.
2. Ability to detecting emerging trends quicker than the competitor.
3. Ability to make rapid decision.
4. Ability to seek new ways of doing business.

Successful organizations in such a situation will be characterized by their ability to:-

1. Quickly turn strategy into action.
2. Manage process intelligently and efficiently.
3. Maximize employee contribution and commitment and
4. Create conditions for constant change.

A Human Resources Approach for a successful company has been defined by Lou Pritchet (2001) as under:

1. Successful companies create psychological contracts with their people.
2. Effective organizations are made of ordinary people doing extraordinary things.
3. Drive out fear by rewarding people for telling the truth.
4. Most of the companies’ failure is caused 90% by systems only 10% by people.
6. You can reach 100% customer satisfaction, when you have reached 100% employee satisfaction.

In the emerging scenario, in many ways a successful organization has been defined. Jay and Galbraith have identified five essential organizational components as Strategy, Structure, Rewards, Process and People. McKinsey and Co. in their famous 7’s framework distinguishes seven components in a company’s architecture
viz. Strategy, Structure, Staff, Style, Skill and Shared Values. It may be observed that in the all propositions, people continue to occupy the central position. After all technology cannot deliver on its own, its efficiency depends on skill and attitude of the person who is handling it. Therefore, it is imperative on an organization to continuously develop knowledge, Skill, dynamism, creativity and effectiveness of its human resources in a systematic and planned way. And HRD is the process of increasing knowledge, skills, capabilities and positive work attitude and values of all people working at all levels in business undertaking. Nadler observes that “HRD means and organized learning experience within a period of time with an objective of producing the possibility of performance change.

HRD has been defined by P.L.Rao as a strategy to transform human resource inputs in outputs. The inputs are the people, the individuals, groups and the total human organization. The transformation processes are the managerial sub-system for acquiring, developing, allocating, conserving, utilizing and evolving people. The outputs are the service provided by the individuals and groups to the organization in which they are employed in particular and the society in general. HRD has four basic agents or partners of development as under:

1. The employee or individual (self)
2. The immediate boss of the employee
3. The HRD department
4. The organization.

In the process, HRD helps employees in continues and planned way to:-

a) Acquire and sharpen capabilities required for performing present and future roles.
b) Develop general capabilities as individuals and discover and utilizes their potential for their own and organizational purposes

c) Develop and maintain an organizational culture in which superior – subordinate relationships, teamwork and collaborations among sub-units are strong and contribute to professional well being and pride of employees.

d) Develop and maintain high motivation level of employees.

e) Develop overall health and self-renewing capabilities of organization.

f) HRD creates an environment in workplace where an employee, when he returns home happy, and spread that happiness in his family. HRD has impact not only on individual employee and his organization but also on his entire family. This social context of HRD is as important as organizational development.

HRD, as defined by T.V.Rao, is a continuous process to ensure the development of employee competencies, dynamism, motivation and effectiveness in a systematic and planned way. Developing technical, managerial and human competence is not enough for individual effectiveness unless proper motivation is not there. Motivation however depends on factors like:

1. Own needs.
2. Personality.
3. Habit patterns.
4. Supervisor’s style and behaviour.
5. Personnel policy.
6. Career opportunities.
7. Reward mechanism.
8. Organizational culture and environment.
Above all, there is a need for a healthy organizational climate where:

1. Free expression of ideas, opinions and suggestions (openness) is encouraged.
2. There is promotion of collaboration among various individuals, teams, departments.
3. People say what they mean.
4. Do what they say.
5. Where people can be trusted.
6. Initiative, pro-activity and creativity is encouraged.

And there is:

1) Promotion of collaboration among various individuals, teams and departments.
2) Problems are diagnosed, confronted and solved collectively or individually.
3) Every senior sees developing of subordinates as his responsibility.
4) Seniors support their sub-ordinates.
5) Juniors respect their seniors.
6) Problems. Mistakes and difficult situations are handled with a learning orientation.
7) Participation is encouraged.
8) Every incident is treated as a learning opportunity.
9) People have a sense of satisfaction from their work.
10) People feel that they are cared for and have a sense of belongingness.

In essence, HRD is not just a set of techniques; it is a process, philosophy and a life. It is a total system comprising various subsystems.
Udai Pareek and T.V.Rao in 1981 made reference only to performance appraisal, feedback & counseling, potential appraisal, career development & career planning and training under HRD. According to them reward system and employee welfare schemes are the hygiene factors necessary for the creation of proper environment for inducing HRD system.

However T.V.Rao and D.F.Perira, subsequently observed that subsystems should comprises - performance coaching, career planning, training, organization development, rewards, employee's welfare & quality of work life and human resource information system⁴. A few others like Dr.Lallen Prasad finds manpower planning, injection of new Blood, promotion scheme, job rotation, job enrichment & job redesign as part of HRD.

However, agreement is visible on the following areas as fundamental subsystems of HRD:

1. Organizational development
2. Training & development
3. Appraisal system and
4. Career advancement

3.2.1 Philosophy and beliefs underlying HRD

Individual human beings run organizations. Each human being is born as something new, something that never existed before. Each is born with the capacity to win life and he has his own needs and objectives and to perform multiple roles as member of family, organization, trade unions, clubs and political parties. The employees are parts of a larger social system. At the same time they are unique in the sense that each individual has different needs, different preferences, different ambitions, different knowledge, skills and attitudes and different potentials.
Therefore, it is very difficult to develop a common and generalized method for motivation and leadership for all the employees. HRD takes into account the complexity and individuality of each employee and respect dignity as individual at the same time considers him as a whole person in the process of development.

Implementation of HRD involves certain planned activities through subsystems:-

a) Performance and potential appraisal.
b) Career planning and development.
c) Feedback and Counseling.
d) Training.
e) Reinforcement/reward system.
f) Organization Development and Research.
g) Human Resources Information System.

To achieve synergy in HRD it is imperative that the various sub-systems are integrated into a whole. For successful implementation of HRD, among others, the top management, in the HRD staff, Controllers/Branch Managers and supervisory staff play most important roles.

3.2.2 Human Resources Development in 21st Century

While a natural science deals with ‘objects’, a social discipline like management deals with the behaviour of people’ and ‘Human Institutions’. Two sets of assumptions were held by the scholars and practitioners. One set emphasize the “Discipline of Management”.

1. Management is ‘Business’ management. However management is a specific and distinguishing organ of any and all organizations.

2. There must be ‘One’ right organization structure. What has been stated by an organization as a right structure has changed many a times over the years from

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functional structure to matrix structure then to strategic business units and so on and the search for a right organization structures is still continuing. However management task in the 21st century is to develop an organization that fits the 'task'. There must be 'One' right way to manage people. Earlier the assumptions were that the people who were working for an organization were 'employees', working full time a dependent on the organization for their livelihood and career or 'subordinates', a great majority of whom were having no skill or low skills and doing what were being assigned to do. However, in the changing scenario, fewer people are 'sub-ordinates. Increasingly they are 'knowledge workers' and they are 'associates' not mere 'sub-ordinates'. Knowledge workers know more about their work than others in organization and knowledge is their 'means of production'. This implies that increasingly different group of employees are to be managed differently at different times as 'partners'. Management of people is becoming a 'marketing job' and in marketing one does not begin with the question “what do we want?” One begins with the question “What does the other part want? What are the values? What are its goals? What does it consider results?” and this is neither 'Theory X' nor 'Theory Y', not any specific theory of managing people. Therefore, in the new scenario one does not 'manage people. The task is to lead to people. And the goal is to make productive the specific strengths and knowledge of each individual.

However, one has to manage himself, before he manages others. That is a manager. The speed of the leader is the speed of the group. "The first principle – Think, there must be better way, then do it now, the third one is 'ask for it" (Gautam, 1987)\textsuperscript{6}.
3.2.3 The other set of assumptions underlies “Practice” of Management:

1. The concept is that technology and end-users are fixed and given. However, constantly changing technology forces industry to learn, acquire, adapt and change its very mindset. At the same people’s wants are satisfied by various means. It is the want that is unique not the means moreover in this age of information which has become the basic resource, the assumption is changing in the direction that there is no technology that pertains to any industry and that on the contrary all technologies are capable and likely to be of major importance to any industry. Similarly there is no one given end use for any product or service and that, conversely no end-use is going to be linked to any one product or service.

2. Management will increasingly have to be based on the assumption that neither technology nor end use is foundation for management policy. They are limitations. The foundations have to be customer values and customer decisions on the disposable income. It is with those that management policy and management strategy increasingly will have to start.

Peter Drucker further adds that “the new assumption on which management, both as a discipline and as a practice, will increasingly have to base itself is that the scope of management is not legal. It has to be operational. It has no embrace the entire process. It has to be focused on results and performance across the entire economic chain. Management exists for the sake of the institution’s results. It has to start with the intended results and has to organize the resources of the institution to attain these results. It is the organ to make the institution, whether business, church, university, hospital or a battered women’s shelter, capable of producing results outside of it.” (Drucker, 1999).
3.2.4 Knowledge worker

While in 20th Century, raw materials and production equipment were the most important factors of production. In the 21st century is knowledge and knowledge workers are going to be the most valuable assets.

Commenting on the role and productivity of the ‘knowledge workers’ Drucker observes that six major factors determine the knowledge worker productivity:-

1. Knowledge worker productivity demands that we ask the question: “What is the task?”.

2. It demands that we impose the responsibility for their productivity on the individual knowledge workers themselves. Knowledge workers have to manage themselves. They are allowed to be autonomy.

3. Continuing innovation has to be part of work, task and responsibility of knowledge workers.

4. Knowledge work requires continuous learning on the part of knowledge worker but equally continuous teaching on part of the knowledge worker.

5. Productivity of the knowledge worker is not a matter of quantity of output. Quality is essence of the same.

6. Finally, knowledge worker productivity requires that the knowledge worker is both seen and treated as an ‘asset’ rather than a ‘cost’. It requires that knowledge workers want to work for organization in preference to all other opportunities.

Drucker suggests that:

1. Continuous innovation has to be built into knowledge worker’s job.

2. Continuous learning and continuous teaching have to be built into the job.
Making knowledge workers more productive requires changes in basic attitude whereas making the manual worker more productive only required telling him to do a job. Changes in attitude are not only on the part of individual knowledge worker but also on the part of whole organization. It is, therefore, required to be piloted as any major change should be.

The emergence of knowledge worker in the 21st century is going to bring about a fundamental change in the very structure and functioning of organizations and in fact of financial and economic system as a whole.

The greatest challenge before an organization in the 21st century is to change the minds of employees and empowering them. Today's knowledge worker wants a choice and a voice. The following needs are to be made if employees are to be empowered:

1. Clearly defined responsibilities.
2. Delegation of Authority.
3. Clearly defined performance standards.
4. Training and Development.
5. Access to information needed to take decisions.
6. Feedback from and on management performance.
7. Recognition of achievement.
8. Establishment of trust.
9. Permission to make mistakes.
10. Respect.

As empowered and self directed work team has greater commitment to work, learns faster, communicates better and solves more problems. The intensifying
involvement of workforce is development of human resource in the right direction.

3.3 HRD in service sector

Though the line separating a ‘Product’ from a ‘service’ is getting wider day by day, there are certain vital characteristics which separate the two:-

1. Service is basically a perceived product. It is intangible.

2. It is in separable in the sense that it cannot be produced at one place, delivered at another and consumed at a different place. In fact all the three actions take place simultaneously.

3. Service is perishable and once delivered defective service can not be replaced. One can try to make up in various ways but the delivered cannot be taken back.

4. A service cannot be sampled prior to purchase. As it is an experience, it can be described and spoken about but it is different from experiencing it first hand.

5. Service is holistic and integrated. It is difficult to delineate different functions clearly like production, packaging, selling etc.

In view of the above characteristics, HRD assumes greater importance in service industry like banking.

While, reforms have the positive impact on the financial system, a little as been done, in the area of human resources development. The competition among banks has changed the way the banks management function now a days, compared to pre-reform days. PSBs are at a disadvantageous position compared to foreign banks in many areas and there is no level playing field particularly in the matter of attracting fresh talents.
With practically no freedom is available to recruit qualified professionals at any stage; the established banks are depending heavily on staff that has no specialized training.

As Prof. Amartya Sen puts it, we will have to go beyond liberalization to get somewhere. Prof. Sen’s focal theme in his Lakdawala Memorial Lecture “Social Opportunity and Human Capability” at New Delhi has broader perspective but it is equally applicable to SBM. He raised the following question.

“Have we made fuller utilization of valuable human potential and before that have we given enough opportunities and support for people to enhance their individual and collective capabilities? While the former question is related to one type of productivity the latter pertains to prerequisite HRD efforts”.

Performance effectiveness of an organization or its sub-unit is ultimately depend not only on the opening efficiency of the individual employees in the unit but also on how well they are managed i.e. organized, directed, motivated and controlled. Placer of component manager’s in-charge of key business units will be a vital productivity enhancing factor. Despite the variety of input factors, in productivity considerations, staff would remain critical factors whose individual efficiency and collective effectiveness would have significant impact on output factors. As such despite marketing orientation (of current competitive times) of putting “customer first”, employees first approach might the one that would lead to higher performance (and Productivity) banks. If a bank takes care of its employee through sincere HRD efforts, they in turn look after the customers and that should result in significant productivity and profitability for the organization as whole."
In the Bank Economist’s Conference on the theme ‘Indian Banking – A paradigm Shift held at Kolkata, Sri Bimal Jalan, Governor of RBI, insisted that “The change in the global environment, deregulation and liberalization and the emergence of new forms of financial intermediation have major human resources implications”. (The Telegraph dt 14.01.2002) In the same conference, Sri Janki Ballabh, Chairman of SBI, insisted on “employee – technology” synergy in the changing environment and “a paradigm shift in banking will necessitates working out strategies to make employees more productive. (The New Indian Express dt.15.1.2002).

3.4 HRD in Sate Bank of Mysore

State Bank of Mysore became as associate of SBI in March 1960 with SBI holding 92.33% shares. Immediately after the reorganization in 1979, HRD was separated from personnel department to accord special focus to it. External consultants were engaged to develop a core group of change agents from amongst the officers of the Bank. Staff College Bengaluru and training centers were used as platform for launching HRD initiatives. In all Zones and Regions, HRD department was created, headed by an official equivalent to the rank of the Chief of personnel department.

3.4.1 HRD Mission in the Bank

HRD in SBM is a continuous process, movement and direction to enable every individual as a member of an effective team and state bank community to realize and activate his potential so as to contribute to achievement of Bank’s goals and derive satisfaction there from.

SBM based on its HRD policy on OCTAPAC with the objectives of:

i). Creating a climate of openness and trust.
ii). Building a collaborative culture – where one can become an important member of an effective team.

iii). Promoting human capabilities and competencies in the organization.

iv). Bringing about integration of individual’s and organization’s goals.

v). Improving quality of life.

A HRD system was then designed with the following subsystems to fulfill the basic philosophy and aims of the Bank:

i) A manpower planning system incorporating the quantitative and qualitative Models – data based techniques etc.

ii) A performance appraisal system – essentially focusing on the individual and on its growth.

iii) A well-defined career path plan.

iv) A vibrant and effective training system.

v) Organizational development – aimed at promoting people’s problem solving and coping capabilities and more importantly in enabling them to anticipate and manage change.

Sri.T.P.Raman, chief officer, HRD articulated the perception and expectations of the employees as under:

i) Now that we have introduced HRD in the bank we can expect all good things to happen.

ii) There will be no reprimands and punishments and all of us will be tended with care and perhaps pampered.

iii) Bosses will not be behaving like bosses – there will be absolute homeliness and solidarity.
iv) All of us will receive all types of training since HRD is synonymous with training.

v) It is the job of the HRD departments to make us feel happy.

In its effort to introduce HRD as a separate function in the Bank following steps were taken:

a) Communication interventions were made through publication of booklets and organizing lecturers and seminars at Staff College and staff training centers.

b) Meetings were conducted at Central Office, Local Head Offices, Regions Offices and Branches to create awareness among staff members.

c) And trained a core team of HRD managers who were assigned the task of spreading HRD message, organizing and implementing HRD plans.

d) Informing Central Office of the progress and providing feedback from time to time.

HRD has come a long way in SBM since 1986. It started with a very high expectation. But after a decade of financial reform and the Bank’s own restructuring still a few questions are to be asked:

i) Has there been improved in productivity and efficiency?

ii) Has this improvement been felt by customers and employees?

iii) Has the quality of credit management improved?

iv) Has it contributed in improvement of quality of-assets?

v) Has the bank been able to develop and aggressive marketing culture?

vi) How many new products, the Bank could offer to the market?

vii) Is the Bank, sensitive to the changing needs of the market?
viii) Have system and procedure been changed in tune with changing requirements?

ix) Has the internal Information system become more effective? How far have we been able to fine tune our personnel policies, so as to face the new challenges confidently?

x) Is there any improvement in staff morale?

xi) Have the promotion, placement and transfer policy become more objective?

xii) Do they encourage performance?

xiii) Has the training infrastructure been strengthened to meet the new demands?

xiv) Are specializations and expertise encouraged at all levels?

xv) What are the behavioural solutions initiated in the Bank?

xvi) Has the Bank been able to optimize and re-deploy its manpower, rendered excess as a consequence of computerization?

xvii) How far the Bank has upgraded its technology?

The Corporate Centre in videoconference with the Circles on 27.7.2001 has highlighted the "Need for introspection" as under:

1. The Bank is facing severe competition – significant drop in market share – poor Credit off-take.

2. Customer service needs to vastly improve – several areas of deficiencies.

3. We are perceived as an ageing bureaucratic organization, which cannot move fast – we need to change this image.

4. Management Audit reports of Circles have pointed out deficiencies in the quality of management etc. – we need to build on the findings in these
On Human Resources the Corporate Centre observed as under:-

1. VRS was an exercise in 'rightsizing' and rather than 'downsizing'. VRS is being implemented everywhere (Banks, Govt., Industries in both public and private sectors) and not in SBM alone. Let us accept the situation.

2. Flexible / extended business hours introduced under career path agreement must be implemented and extended to more branches. Circles to advice position every month.

3. We cannot have a situation where some branches are starved of staff while others having surplus. Redeployment is must.

4. Some branches have withdrawn / curtailed the extended hours on the pretext of VRS situation. This is wrong and should be rectified urgently.

6. Absorption of technology coupled with judicious redeployment of staff should leave no room for customer complaints.

For the purpose the following Action points have been suggested:-

1. Promotions to all levels to be completed within the deadlines stipulated.

2. Training needs at all levels to be thoroughly assessed and training facilities to be utilized upto the maximum capacity.

3. Staff to be trained to be more customer oriented / market oriented.

4. Training system has a vital role to play by on-site to energize the branches. Visiting faculty scheme to be revived.

5. Controller must convey the Bank’s goals to junior levels and involve them.

6. Can we start movement to ensure that Zonal Offices, Regions and Branches function as Model ZOs, Model Regions, Model Branches.
All the above problems / maladies, if analyzed carefully, suggest that they are manifestations of "satisfactory underperformance" of people, playing different roles in the organization and this has grave implications on the HRD strategies, structures, systems and processes of the Bank. This is so because to survive and grow in a competitive economic environment people play, through their roles, a decisive role in creating and sustaining new competitive advantages. Therefore, a better focus and systems view is needed in future HRD efforts to refine the existing HRD strategies, Structure, Systems and processes. To do this, it is necessary that a critical review of the same.

Organizational Restructuring: Recommendations of McKinsey on Human Resources.

On HRD, the McKinsey & Co. have made the following recommendations in their exercise of restructuring:

"Banking being a service industry, the quality, the commitment and the motivation level of the employees become some of the most critical factors for the organization employees have been identified as one of the stakeholders of the organization and one of the strategic objectives for the business groups has been identified as enhancing employee involvement, skills and productivity.

The conclusion that has emerged out of the consultancy exercise is that the Bank, needs to change its present approach to human resources management which characterized by excessive centralization, inadequate policy focus and lack of differentiation. While the need for change is recognized, some aspects of personnel management require further examination. Also, in certain areas the bank is constraint by industry wide agreements and practices. While the need for some degree of operational autonomy for public sector banks has been
recognized, policy measures for achieving this objective are awaited. Nevertheless, within the parameters of existing policies, the Bank has decided to revamp the human resources management process”.

The following measures have been taken in human resources area:-

1. At the Corporate Centre, the position of Corporate Development Officer (CDO) in the rank of Deputy Managing Director, has been created to deal with policy matters in the area of the human resources management, industrial relations and technology.

2. A high – powered Human Resources Committee has been created at the corporate level to deal with policy aspects of critical human resource issues such as manpower planning, placement policy, promotion policy, specialization, career path planning, training etc.

3. Some Important operational areas connected with human resources such as placement of senior executives would now be handled by the Central Management Committee.

4. In order to empower people down the line, wide ranging decentralization of decision making in the human resources management area has been contemplated. This would have effect of pushing decision making at the operational levels.

3.4.2 Central Human Resources Committee (CHRC)

CHRC will be the key policy formulating forum in the Personnel & HR areas of the Bank and will consider issues which include:

1. Reviewing and formulating personnel policies including long term HR initiatives relating to recruitment, placement, manpower planning, promotions, remuneration systems, lateral hiring, performance appraisal,
issues relating to specialization, placements and tenure of such specialists officers.

2. Matter relating to Human Resources policy such as encouraging a value based approach to human relations, bringing transparency in decision making personnel matters, improving employee satisfaction, research in human resources areas etc.

3. Building up of specialized skills in certain areas.

4. Reviewing annual training plans and budgets, performance of training system, policy regarding deputation for training of Bank's officials and delegating powers in respect thereof to Group Executives / staff functionaries, development of training as a profit centre.

5. Reviewing approach relating to HR and relative strategies, functioning of bilateral for and other mechanisms.

6. Taking decisions or recommending, wherever necessary, to the Board / ECCB/CENMAC, on operational issues like placements, promotions of senior personnel of Scale VI and above.

7. Function as appellate / review authority as may be provided in the service rules and as per powers that may be delegated to it under separate authority.

8. Personnel issues relating to computerization / technology management.

3.4.3 Circle Human Resources Committee (HRC)

HRC has been created in each Circle along the lines of CHRC except that, at the Circle level, HRC will increasingly deal with operational matters and issues relating to industrial relations. The HRC will be presided over by the Circle Chief General Manager with the General Managers of the two networks and the Circle
Development Officer as the members. In terms of the revised organizational structure, Circle Development Officer is the pivotal person in HRD process. As suggested by the Bank, his role and functions are given as under:-

**Role**

1. Responsible for efficient implementation of personnel and HR policies in the Circle.
2. To lead essential logistics support to Circle functionaries.

**Functions**

1. To ensure implementation of Personnel & HR policies within the Circle.
2. To support Circle HR Committee in transfers, promotions and HR development in the Circle.
3. To integrate the efforts for speedy implementation of automation in branches.
4. To ensure efficient delivery to support services to the GMs and their branch network.
5. To build a system to identify skill gaps and provide required training in order to develop a wide variety of specialized skills within the Circle.
6. To prepare an annual action plan and implement it with the approval of the CGM. To submit periodic review reports on the annual action plan to the CGM.

The CDO is supported by Assistant General Manager (Personnel and HRD) whose role has also been clearly articulated:-

1. Effective implementation of the Corporate Human Resources management Policies in the Circle and providing feedback to Circle Management Committee (CIRMAC) on critical issues.
2. Implementing HR driven strategies for building a vibrant collaborative and achievement oriented work culture in the Circle.

3. Equipping staff in terms of knowledge, skills and initiating measures to motivate staff and improve work culture.

As a consequence of restructuring on the recommendation of the consultant McKinsey & Co. with effect from 22nd January 1996 i.e. the date from which the LHO redesign has come into effect the erstwhile position of AGM(HRD) was merged with AGM(Personnel) to create a new position of AGM (Per & HRD). Another new position of CM (HRD) has been created under the control of AGM (Per & HRD) for performance of roles related exclusively to that of HRD

Besides, AGM (Personnel & HRD) and CM (HRD) at Head office level, Chief Managers (Personnel & HRD) provide support to the DGMs at modules and Managers (Personnel & HRD) at Region Level. At Head Office also both the networks i.e. Development and Personnel Banking and Commercial Banking are having separate Chief Managers (Personnel and HRD) for the purpose.

It is observed that the Bank has introduced an elaborate organizational structure for HRD and senior managers occupy various positions in the same. However, the positions are not manned by professionals. Only they are exposed to training on Personnel Management and Industrial Relations of one week’s duration, conducted by the Bank’ staff colleges. Programmes exclusively of HRD are yet to be conducted by the college and STCs. There are also instances, that persons looking after HRD have not received any training whatsoever during the assignment. Therefore, despite well laid down structure, generalistic approach continues in the area of HRD in the Bank. M.P.Bansal observes the following barriers in respect of Human Resource Development in Public enterprises:-
1. Myopic and habitual conceptions of organizational goals.
2. Lack of proper attitude of top management towards HRD programmes.
3. Lack of adequate resources for implementation of HRD programmes.
4. The inevitable irregularity of demand and opportunity of human resources.
5. Fear of unrealistic expectation of workers, employees and managers from HRD schemes.
7. Over ego and over self assessment by the employees.
8. Inadequate and faulty reporting system.
9. Favouritism in reward system.
10. Renaming training of employees as HRD with no other accompanying sub-system.
11. Cost of introducing and manning a HRD programme.

It is worthwhile to ascertain whether the Bank suffers from the above barriers of HRD programme.

3.5 Conclusions

In a service industry like banking, employee is the most important factor of production and the health of a bank depends mostly on the performance of its human resources more precisely on their knowledge, skill and motivation level. In this backdrop, human resources development assumes paramount importance. Among the Banks in India, SBI and its associates has been the pioneer in attaching high priority to HRD. The SBM has well structured training system and well articulated HRD policy. Nevertheless, the Bank's performance indicates that a gap exists between its expectation from HRD and actual outcome thereof. Since, banking is a service industry this keep input for healthy growth of bank is manpower. Hence
HRD has become vital for the success and growth of SBM in this modern competitive environment.

3.6 References: