CHAPTER - IX

SUMMARY AND CONCLUSIONS
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INTRODUCTION:

Management is concerned with the accomplishment of organisational objectives by utilising physical and financial resources through the efforts of human resources. Human Resource Development (HRD) assumes significance in view of the fast changing organisational environments and needs of the organisation to adopt new techniques in order to respondents to the environmental changes.

THE STUDY:

In view of the vitality of human resources development the term 'Human Resources Development' has become very popular in the recent years. In fact, the Union Government has also instituted a separate ministry for the Human Resources Development. Many organisations have either started Human Resources Development departments or have appointed Human Resources Development Managers or atleast have strengthened their personnel departments to look after the human resources development functions.
Historically commercial banks in India are concentrated in big cities, metropolitan areas and port towns. The well placed traders, businessmen and the industrialists in these places have availed themselves of the banking facilities and the common people particularly agriculturists were covered by the banks only in rare cases. This situation and failure of the social control scheme led to the nationalisation of 14 major scheduled commercial banks on 19th July, 1969. Six more banks were also nationalised on 15th April, 1980.

Nationalisation has changed the complexion and dimensions of commercial banking in India. It helped to hasten the pace of geographical and functional diversification. The new dimensions have brought drastic changes towards the professionalisation in bank management. Further, the new dimensions placed the varying responsibilities on the shoulders of commercial banks such as expansion of branch offices to unbanked and remote rural areas on a massive scale so as to cover small scale sector, cottage and rural industries, self-employed persons, artisans, weaker sections of the society, small traders and other persons of small means. There has been widespread and massive expansion of bank activities in respect of branch expansion, deposit
mobilisation, credit to conventional sectors and non-conventional sectors like agriculture, small industry, small business, entrepreneurs, education and research etc.

But, the banking industry at present is under transition owing to the enunciation of economic liberalisation by the government of India. In the wake of liberalisation, the banking industry is thrown open to all in the globe. Consequent upon that, some of the domestic private mutual funds have appeared on the horizon along with the international mutual funds. A few new private banks came into being with altogether creative ideas. Along the line, some of the international banks are in their toes to enter the Indian banking sector. Above all, the increased awareness among the investors, the earstwhile depositors of the commercial banks, about the stock market operations, direct investment in industry and their increased risk tolerance have contributed to the diminishing role of commercial banks as financial intermediaries.

These environmental threats will chase the protective zone of Indian public sector commercial banks. As such, Indian banking industry should strengthen itself with the required resources notably human to face the
environmental challenges and threats. Further, the need of the hour for the commercial banks is to formulate stability strategies but not growth strategies. This will help to formulate growth strategies later. Thus, human resource management and human resource development plans have to play a vital role in stability and growth strategies of commercial banks. At this juncture, it would be more appropriate to study the present position of HRD in banks in terms of philosophy, practice and outcomes with a view to assess the core competence of HRD as a strategy for survival and growth.

Though commercial banks are one of the biggest employers in the country and have been working as public sector undertakings since 1969 studies dealing with human resources development in commercial banks in India are not many. But there are a few studies which dealt with the various aspects of human resources management in banks.

The analysis of the available literature on HRD in various banks reveal that the scope of almost all the papers is narrow, limiting to a particular bank and to a particular aspect of HRD. Further, it seems that almost all the papers are based on personal experience of the bank executives rather than findings of an
empirical study. As such, a comprehensive and integrated outlook based on an empirical study on human resource development in Banks is the gap in the existing literature on the subject.

The important reason for the situation is owing to the recent origin and growth of the concept of Human Resource Development in India in general and commercial banks in particular. However, commercial banks are the foremost units in spending huge amount of finances under the head Human Resource Development. Moreover, there are Human Resource Development Departments in large banks. Surprisingly the research studies dealing with the human resources development aspect in banks are rarely conducted in Indian Commercial Banks. Against this background it is felt that there is a need for the study of human resource development in Banks.

Objectives:

The objectives of the study are:
1. To enquire into the HRD philosophy of banks;
2. to study the organisational and HRD climate in the banks;
3. to enquire into the practices of various HRD techniques; and
4. to study the outcomes of human resource development for the bank, individual employees, groups and the society at large.
In the fulfilment of these objectives, a close study is made on all important areas of human resources development in banks. The position prior to nationalisation is also studied with a view to appraise the changes better.

It is very difficult to appreciate and understand the human resources development unless recourse is made to the interview method. Interviews and discussions were organised with the selected representatives of management of various commercial banks, Staff Training Colleges, Indian Institute of Bankers, Bombay; National Institute of Bank Management, Pune; Indian Banks' Association, Bombay; Banking Service Recruitment Boards, Trade Unions and with employees of various commercial banks. A separate questionnaire was prepared for this purpose to draw upon their rich personal opinions, experiences etc., which cannot find a place in the reports and records. Interviews are also conducted with the trainees who underwent training and management development programme, their superiors, subordinates and peers in order to ascertain the impact of these programmes on job performance and behaviour. Another method that was adopted for this study is the collection of secondary data from various commercial banks, Indian Banks' Associations etc.
Various appropriate statistical techniques were employed for analysing the data. The statistical analysis and data are supplemented by the information collected through interviews and personal observation so as to derive effective and meaningful conclusions.

The data and information were collected from various sources. Factual data were collected from the Annual Reports of the banks; Staff Training Colleges, House Magazines and other records of the Banks, Reports and other records of the Trade Unions.

The study warranted a number of trips to the head office, regional offices, branch offices and Staff Training Colleges of respondent commercial banks and National Institute of Bank Management, Pune; Indian Institute of Bankers, Bombay; and Indian Banks' Association, Bombay. During these visits, libraries of all banks and various banking institutions were made use of to go through a number of relevant reports and books.

It is very difficult to study human resources development in all the commercial banks due to limitation of time, finance and other resources. However the study of human resource development need not be conducted in all the commercial banks as most of the banks are similar
in the nature of business/operations, size, adopt similar techniques and strategies of human resources development etc. Further, the policies, programmes, practices of human resources development are common in most of the banks. As such a sample of five banks of different nature like State Bank of India (nationalised in 1955), Bank of Baroda and Canara Bank (nationalised in 1969), and Andhra Bank (one of the six banks nationalised in 1980) and the Vysya Bank Ltd., (biggest private sector Indian Bank) were taken up for the study. Further all employees, all trade unions' leaders and all management representatives were not interviewed due to the time and resource constraints and lack of necessity. Hence a sample of 785 respondents was taken up for the purpose of conducting interview based on stratified random sampling technique.

The study is presented in nine chapters. The first chapter deals with the conceptual analysis of the human resource development in terms of meaning, significance and framework of the process of HRD. Chapter two presents the complete research design. Essentials of human resource development (HRD) like organisational structure, organisational climate, HRD climate, human resource planning, recruitment and
selection are analysed in chapter three. The chapter four throws light on the performance appraisal and potential appraisal as techniques of HRD. The important sub-systems of HRD, i.e., training and development are discussed in chapter five. The chapter six deals with the organisational development. The other techniques of HRD like participative management, quality circles, career planning and development are presented in chapter seven. Ends of HRD in terms of its outcomes to the organisation, individual employee and the society is embodied in chapter eight. The analysis of the study is evaluated and appropriate suggestions are offered in the last chapter.

ESSENTIALS OF HUMAN RESOURCE DEVELOPMENT:

Organisations are economic and social entities in which a number of persons perform a number of tasks in order to attain common goals. They are effective instruments in that they help individuals to accomplish personal objectives which they cannot achieve alone. Organic structure, conducive organisational climate, effective HRD skills, knowledge, attitudes and values of HRD managers, conducive HRD climate and planning for human resources, performing recruitment and selection based on HRD needs are essentials of HRD.
Organic structure of bank organisation is an essential factor of HRD. It is observed from the opinions of management respondents of selected banks that the decision making in almost all the banks is centralised. The bank managers have viewed that rules are highly formalised. Majority of the respondents have felt that the specialisation is of lower order. Many of the respondents are very fond of saying that the standardisation is of high order whereas stratification is of lower order. Majority of the respondents of State Bank of India, Bank of Baroda and Canara Bank have viewed that their jobs are enriched. Similarly degree of adaptability to changes is high in State Bank of India, Bank of Baroda and Canara Bank compared to Andhra Bank and Vysya Bank. Scope for participative management is more in State Bank of India compared to all other selected banks. Managers of State Bank of India and Bank of Baroda have expressed that scope for team work is better in their bank compared to other banks. Scope for freedom is better in State Bank of India and Canara Bank and low in Bank of Baroda, Andhra Bank and Vysya Bank. Most of the managers of State Bank of India and Canara Bank compared to other banks have expressed that there is scope for using one's own potentialities in
their banks. Thus, it is clear that the organisation structure of State Bank of India and Canara Bank is organic and conducive for HRD.

Organisational climate should be conducive in order to facilitate for HRD. Majority of the management respondents of State Bank of India and Canara Bank have expressed positive opinions about the management's philosophy, taking employer's goals into consideration while formulating organisational goals, participation in decision-making, participation in appraising performance, following situational styles of leadership, providing self-motivation to employees, scope for free communication, conducive physical environment and maintaining high values. Contrary to the views of management respondents, employee respondents expressed that the organisational climate is not that much conducive as opined by management respondents even in State Bank of India and Canara Bank. However, employee respondents also view that organisational climate is better in State Bank of India, Bank of Baroda and Canara Bank compared to that of Andhra Bank and Vysya Bank. Thus, it is viewed that organisational climate is better in State Bank of India, Bank of Baroda and Canara Bank compared to that in Andhra Bank and Vysya Bank.
HRD managers should possess HRD knowledge, skills and values with a view to make the HRD process effective. It is observed that the managers of State Bank of India have expressed positive views about possessing of HRD knowledge, skills and values compared to those of other banks. Further, conducive HRD climate is more essential for effective HRD process. Most of the management respondents of State Bank of India have expressed positive opinions compared to those of other banks. It shows that HRD climate is conducive State Bank of India.

The other essential factor of HRD is that the factors of human resource planning, recruitment and selection should be undertaken giving due consideration to HRD. It is observed that only State Bank of India has given due consideration in performing the functions of human resource planning, recruitment and selection. Thus, it is viewed that State Bank of India has the essential factors to develop their human resources whereas Bank of Baroda and Canara Bank possess these factors to some extent.
Possessing of essential factors of HRD would provide for the smooth process of HRD through its various techniques like potential appraisal, performance appraisal, training and development, career planning and development and other sted techniques.

The system of potential appraisal provides the employees to use and develop their potentialities. It is observed that majority of the management respondents of State Bank of India, Bank of Baroda and Canara Bank have expressed that potential appraisal system in their bank is effective. Mixed opinions have been expressed by most of the management respondents of Andhra Bank and Vysya Bank that the potential appraisal system is not effective.

Performance of employees in respondent banks is mostly appraised by the supervisors and by the employees themselves. Performance appraisal system in almost all the banks is partially confidential and partially open. The evaluation of performance appraisal system indicates that it is not open, positive helping the subordinates in all the banks.

Performance appraisal system is also evaluated in terms of HRD orientation. It is observed that majority
of the management respondents felt that the performance appraisal system of State Bank of India has HRD orientation. Management respondents of other banks have expressed mixed opinions in this regard. Thus it is clear that performance appraisal system of HRD in State Bank of India has HRD orientation.

TRAINING AND DEVELOPMENT:

The banks would be in a position to impart required training to the employees when the training facilities on required scale are available in terms of number of staff training colleges/centres, physical facilities, teaching aids and internal and external faculty. The employees' views are taken into account in addition to the secondary data in order to judge the availability of adequacy of training facilities.

It is observed that nearly 83 per cent of the employees of State Bank of India have felt that they require more number of training colleges. This opinion is subscribed by 35.33 per cent of employees of Bank of Baroda, 25 per cent of Canara Bank, 21.11 per cent employees of Andhra Bank and 18.33 per cent employees of Vysya Bank.
Nearly 75 per cent of the employees of State Bank of India also have felt that the physical facilities and teaching aids provided in their training colleges are excellent. This observation is not subscribed in the same tone by the employees of other banks.

This shows the adequacy of training facilities in State Bank of India and inadequate training facilities in Bank of Baroda and Canara Bank despite the general perception of the employees that the HRD practices in these two banks are superior over other banks.

It is observed that only 33.33 per cent of State Bank of India employees have felt that induction training programme provides an excellent opportunity for new comers to learn comprehensively about the bank. This percentage is higher in the case of Bank of Baroda than that of State Bank of India. However, this percentage is lower in all other banks than that of State Bank of India. It is, hence, suggested that the banks should systemise the induction training programme in order to create the best impression about the organisation in the first instance itself. In order to meet the induction training effectively, the banks should evaluate
and improve it periodically. But the responses of the employees show that none of the respondent banks take interest in this direction. However, the induction training programme can be made effective if the senior staff take interest and spend time with new staff during the induction training programme.

The analysis of the table clarify the fact that nearly 37 per cent of State Bank of India employees feel that they are given adequate freedom to use the knowledge of the training programme. However, nearly 42 per cent of the employees expressed that they utilised the benefit of the training programme. Contrary to the above, the performance of only 10 per cent of the employees improved significantly after the training. This might be due to the influence of various other factors including lack of employees commitment and sincerity.

About 41 per cent of employees of the Bank of Baroda seems to have felt that the use of knowledge gained through Training and Development programmes proved positive, 44.67 per cent of them have expressed that they got benefited through these programmes and 34.67 per cent of them expressed that they have improved their performance.
after undergoing Training and Development programmes. Among the employees of State Bank of India and Bank of Baroda the main variation is found in the case of improved performance where State Bank of India's response was very low and Bank of Baroda's was moderate. Canara Bank and Andhra Bank have not shown any significant response for all the three aspects. However, 73.33 per cent of employees of Vysya Bank have expressed that they have been benefited by the Training and Development programmes and about 70 per cent of them expressed that their performance has improved significantly. But at the same time only 36.67 per cent of employees said that they have freedom to use the knowledge gained through various training and development programmes.

ORGANISATION DEVELOPMENT:

It is clear that 50 per cent of the management respondents of State Bank of India, 40 per cent respondents of Bank of Baroda, 45 per cent respondents of Canara Bank, 50 per cent respondents of Andhra Bank and 10 per cent respondents of Vysya Bank subscribe to the value of "people are basically good". It shows that majority of the respondents of various banks do not fall in the line of organisation development movement in this respect.
The another value of organisation development movement is concerning with confirmation and support needed by the new employees. It is observed from the table that the respondents of the State Bank of India (56.67 per cent), Canara Bank and Andhra Bank (50 per cent each) expressed the positive view about the value that 'every new employee needs confirmation and support'.

People have different backgrounds in terms of social, cultural, religious, economic, regional etc. They express different opinions and ideas which will benefit the organisation. It is observed from the data that 61.67 per cent of the management representatives of State Bank of India, 50 per cent respondents of Andhra Bank and 40 per cent respondents of Canara Bank have felt that their banks are benefitted by the differences and backgrounds, personality and viewpoints of employees.

The bank to be open in human interaction and get benefit out of it, should allow the employees to be rational to express their feelings, sentiments, emotions, anger, and tenderness. The table presents that State Bank of India (68.33 per cent) allowed their employees more to be rational than other banks like Bank of Baroda (22 per cent), Canara Bank (42.5 per cent), Andhra Bank (40 per cent) and Vysya Bank (15 per cent).
It is also clear that all the respondents of State Bank of India have expressed that organisation development has been introduced at top and middle level management. However, 11 out of 60 respondents have expressed that organisation development has been introduced at junior level. The management representatives of the Bank of Baroda have felt that organisation development has been introduced at top management (63.33 per cent), middle level management (23.33 per cent) and junior management levels (6.67 per cent). Management representatives of Canara Bank expressed that organisation development is introduced at top management (77.5 per cent) and at middle level management (52.5 per cent). The management representatives of Andhra Bank and Vysya Bank categorically expressed that organisation development has not been introduced in their banks.

It is observed that the techniques of survey feedback and managerial grid have not been used in any of the respondents banks, mostly owing to the absence of knowledge about these techniques. Most of the management representatives of State Bank of India have expressed that the techniques of changes in organisational structure, participative management and quality circles, team building, job enrichment and sensitivity training
have been introduced (in the order of priority) at top management level. Participative management and changes in organisation structure and job enrichment, sensitivity training and team building have been introduced (in the order of priority) at the middle level management. Bank of Baroda mostly relied upon participative management and quality circles and team building, whereas, Canara Bank mostly relied upon participative management and quality circles, sensitivity training, goal setting and planning and team building. It is further clear that the State Bank of India used different techniques at top level management and middle level management significantly.

STEAD TECHNIQUES OF HUMAN RESOURCE DEVELOPMENT:

In addition to the techniques of HRD discussed so far, there are other techniques of HRD like career planning and development, counselling, participative management and quality circles, meetings, social, cultural and professional programmes. These techniques create self-awareness and develop self-motivation and commitment for self and mutual bearing among employees.

Banks plan for career of employees and disseminates information among employees. It is observed
that 68.33 per cent of the respondents of State Bank of India have felt that their bank disseminates career options. Similarly 73.33 per cent of employee respondents have expressed the same opinion. This situation, though desirable, is not existent in other banks. The number of career movements of employees indicates the progress of the bank as well as employee satisfaction. It is clear that career movements mostly vary between one and three and the number is more in State Bank of India, Bank of Baroda, Canara Bank and Andhra Bank. Employees acquire various qualifications for their career development based on their individual effort. Further, banks also take efforts to develop the careers of their employees by providing facilities to acquire additional qualifications. It is observed that mostly employees acquired additional qualifications based on their individual efforts. Canara Bank and Andhra Bank deserve appreciation for providing facilities for career development of their employees.

Employees acquire technical, managerial and behavioural skills and knowledge through the career development efforts taken by individuals and banks. It is evident that majority of employees acquired these skills and knowledge owing to their individual efforts.
However, employees also acquired skills and knowledge due to the efforts of the banks.

Counselling occasionally is necessary for employees due to job, career, potential, performance and work related problems. Counselling helps for employees to develop their human resources. It is observed that the human resources of employees are developed. This is more in State Bank of India, Canara Bank and Bank of Baroda than in Andhra Bank and Vysya Bank. Counselling provided by the banks is of various types viz., performance, potential, career, personal and work. It is observed that employees of State Bank of India received work and performance counselling. Employees of Bank of Baroda received work and career counselling whereas employees of Canara Bank received career and personal counselling whereas employees of Vysya Bank could not receive much counselling.

Participative management and quality circles enable the employees to exchange ideas, experiences, knowledge and values and develop their human resources mutually. It is observed that employee involvement in participative management schemes and quality circles is significant in Canara Bank, Andhra Bank and Bank of Baroda according to the opinions of employee respondents. But
management respondents have felt that it is significant in State Bank of India, Bank of Baroda, Canara Bank and Andhra Bank. Employees acquired technical, managerial and behavioural skills by involving themselves in participative management schemes and quality circles.

Employees develop their human resources by participating in meetings through exchange of ideas, experiences etc. It is observed that State Bank of India mostly conducts meetings once in a quarter whereas other banks conduct meetings rarely. Employees have participated actively in these meetings. They have acquired technical, managerial, behavioural and general knowledge by participating in meetings as perceived by management and employee respondents.

Employees also develop their human resources by studying house magazines and other books available in the banks' libraries. It is observed that banks have published and communicated the information to their employees frequently. Employees and management respondents have felt that their banks provided highly qualitative libraries and they have acquired technical, managerial, behavioural and general knowledge by studying house magazines and the books available in their libraries.
Employees also enrich their human resources by participating in various social and professional programmes. Management and employee respondents have felt that their banks organised various social programmes viz., get-togethers, picnics, and cultural programmes and professional programmes. Management respondents and employee respondents have also felt that other agencies sometimes organised social and professional programmes. Management and employees participation in various social and professional programmes helped them in developing interpersonal skills, skills to manage job stress and tension, judgement skills, improvement in team work, decision making skills and comprehension skills.

HUMAN RESOURCE DEVELOPMENT : AN ANALYSIS OF OUTCOME :

Outcome of HRD in banks is studied through the analysis of contribution of HRD to the goals of individual employee, group, bank and the society at large. It is observed that HRD contributes to the individual goals like improving job performance, job satisfaction and job security. It is observed from the table that 56.66 per cent of the management respondents of State Bank of India have felt that HRD contributed for their job performance whereas 41.67 per cent of the employee respondents accepted this opinion.
HRD also contributes to the individual satisfaction regarding salary and benefits and job security. It is clear from the table that slightly higher percentage of management representatives of State Bank of India have felt that HRD contributed for the satisfaction about salary and benefits than the employee respondents. Observations contrary to that of State Bank of India are noted in case of Bank of Baroda. Observations similar to State Bank of India are noted in case of Canara Bank. The similar observations as in case of Bank of Baroda are noted in the case of Andhra Bank.

HRD also contributes to the employee satisfaction about his allround development and satisfaction with the bank. It is clear from the table that majority of the management respondents (53.33 per cent) of State Bank of India have felt that HRD has contributed for the allround development whereas majority of the employee respondents (58.33 per cent) have not accepted this view. Observations contrary to State Bank of India are noted in the case of Bank of Baroda. Mixed opinions have been identified in the case of Canara Bank. However, majority of employee and management respondents of Andhra Bank and Vysya Bank have felt that HRD has not contributed to the overall development of individuals.
In addition to the contribution to the achievement of individual goals, HRD also contributes to the attainment of group goals. It is observed that majority of management respondents of State Bank of India have expressed that HRD has succeeded in improving group performance (56.67 per cent), in conducting a number of group meetings (60 per cent), in maintaining high quality in the process of group meetings (51.67 per cent), in maintaining harmonious group relations (55 per cent), and for better performance of group leader (65 per cent). Majority of the employee respondents of State Bank of India have expressed negative opinion in all the issues of group goals. Similar observations are drawn in the case of Bank of Baroda, Canara Bank and Andhra Bank. However, both management and employee respondents of Vysya Bank have felt that HRD has not contributed to the attainment of group goals in their bank.

HRD significantly contributes to the banks' goals. The goals of the bank include quality of customer service, deposit mobilisation, granting advances, maintaining profitability, meeting the requirements of the economy etc. It is clear that only 18.33 per cent of management representatives and 25 per cent of employee respondents of State Bank of India felt that HRD helped
in maintaining quality of customer service. Contrary to the observation drawn earlier, 62 per cent of management respondents and 52 per cent of employee respondents of Bank of Baroda have expressed that HRD helped for maintaining high quality customer service in their Bank. Observations similar to Bank of Baroda are also drawn in case of Canara Bank. And observations similar to State Bank of India are drawn in case of Andhra Bank and Vysya Bank. Thus, it is clear that the HRD in Bank of Baroda and Canara Bank could contribute significantly to the goals of banking industry.

The most important goal of any organisation including bank is maximisation of profitability. HRD through improving employee efficiency, productivity etc., contributes to the goal of maximisation of profitability. It is observed from these tables that majority of management respondents (54 per cent) and employee respondents (52.67 per cent) viewed that HRD has contributed to the attainment of maximum profitability. But majority of management representatives and employee representatives of State Bank of India, Andhra Bank, Vysya Bank and employee respondents of Canara Bank have not subscribed to this view. However, management respondents of Canara Bank expressed that HRD contributed for high profitability of their bank.
Important objectives of nationalisation of commercial banks are to provide finance to priority sectors like agriculture, small industry and education and also to meet the financial requirements of neglected sections of the community. Banks played a vital role in meeting the requirements of priority sector. There has been a great demand for new skills and knowledge of bank employees due to shift of emphasis from class banking to mass banking particularly after 1969. HRD effects in commercial banks might have helped them in developing new skills and knowledge. However, an inquiry into the opinions of management and employee respondents regarding HRD's contribution in this direction will help us to draw conclusions.

As analysed earlier HRD contributes to the social goals in addition to its contribution to the goals of the individual, group and organisation. It is observed that only 32 per cent of management representatives and 32.67 per cent of employee representatives accepted that HRD of their banks contributed to the enhancement of the value and strength of human resources of the country. Similar observations are drawn in the case of all other banks. HRD through the enhancement
of human resources can contribute to the perfect utilisation of all other resources of the country. If the bank takes care of human resources, they in turn will take care of the utilisation of all other resources. This truth is not accepted by the majority of management and employee respondents of all the selected banks as far as the utilisation of country's total resources, with an exception of management respondents of Andhra Bank.

Further, it is also viewed that HRD also contributes for resolving the socio-economic problems of the country. Majority of the employee respondents of State Bank of India perceived that HRD in their bank contributed in resolving the socio-economic problems of the country.