Chapter 2

Research Design and Methodology
1.0 INTRODUCTION

Human Resource Development (HRD) is one of the subsystems of Human resource management. It plays a pivotal role in any organization. It is most crucial job because developing people resources is the heart and essence of the organization. Tremendous changes have occurred in Indian banking Sector. More particularly, technological and economical changes have witnessed in the country. So the HRD system in banking organization is a prerequisite. HRD is the process of improving, moulding of employees' attitudes, knowledge, skills, and talents to achieve the organizational and individual goals.

HRD aims at developing a variety of competencies of employees and developing a culture in the organization to utilize these competencies and contribute to organizational growth. HRD uses subsystems such as performance appraisal, training and development and reward system to improve the individual effectiveness.
2.0 STATEMENT OF THE PROBLEM

The modern organizations are facing the critical challenges, such as liberalization, new economic policy, globalization, profitability through growth and technological changes. In the changing scenario, HRD is a lifeline for the success of any organization. The reason is that the modern technology requires employees of different skills and knowledge with high degree of dedication. The existing employees with outdated skills and knowledge will have to be retrenched and reduced as they will not effectively contribute to the new techniques, machines, methods and process. This has resulted in the maintenance of HRD system in every organization. Owing to the importance of HRD factor, the researcher has carried out an investigation into core HRD sub systems of banking sector.

In banking sector, significant HRD sub systems like performance appraisal, training and development, and reward systems are not practiced effectively as expected. To trace out the reasons on this problem, the researcher makes a modest attempt to carry out the research study.

3.0 REVIEW OF LITERATURE

A careful survey of the literature connected with the present study and published in the past has been made to assess the feasibility of conducting the present research study. As far as the knowledge of the researcher is concerned, no studies have been hitherto in the sphere of human resource development in Andhra Pragathi Grameena Bank. However, it is observed that there are some publications, research based as well as non-research based, on certain aspects related to the banking industry.

3.1 Books

Khandelwal, Anil K has carried out a study on Personnel development and Industrial Relations in rural banks and found
the lacunae that the regional rural banks do not follow any scientific procedure for manpower planning and there is lack of pragmatism in personnel policies of these regional rural banks.

Talluru Sreenivas has explained as banking industry highly dependent on the quality of HRD practices for the motivation of its employees. An effective implementation of HRD activities would result in excellent organizational climate for the people to be competent and productive. And not only implantation of the HRD practices but also their review from time to time helps the banking institutions maintain their status in the competitive environment.

Ravi Shankar and RK Mishra, studied importance of training public enterprise managers for organization development and concluded that "... they can help in strategic planning, by contributing their knowledge."

Talluru Srinivas had examined the basic activities of HRD viz. job rotation, training, performance appraisal, rewards, career development, feedback, counseling, potential development, human resource information system etc. in State Bank of India. He found that the training system of SBI is now recognized as one of the best system in the country and the survey identified that the off the job training is not a continuous process in the bank which speaks that the training function is irregular.

T.V. Rao and E. Abraham S.J. had surveyed the progress of Human Resource Development practices in Bank of Baroda and shown indications that progress has been achieved, but there is still a long way to go.

3.2 Articles

Nangia, Y. L. has examined the importance of selection of personnel and found out that there are large differences in human abilities of the staff working in modern organizations.
Rao, T.V.\textsuperscript{7} has made an attempt to describe the performance appraisal system and focus on the appraisal system as an instrument of change in any organizational culture, values and philosophy.

R. Srinivasan\textsuperscript{8} had introduced new HRD practices like staff meetings, brain storming sessions, study circle, and quality circle in the banking industry and these leads the bank towards the successful rate.

Uday Pareek and Rao\textsuperscript{9} two consultants from the Indian Institute of Management, Ahmadabad studied the performance appraisal system and made recommendations for improving it. They recommended that "...Performance appraisal, potential appraisal, feedback and counseling, career development and career planning and training and development get distinct attention as unique parts of an integrated system".

Rao T V and Raju Rao\textsuperscript{10} examined the current status of structuring of the HRD function and HRD subsystem in India against locally evolved "integrated HRD Systems" framework by Pareek and Rao. Data from HRD audits of eight Indian organizations indicated that HRD function is not well structured is inadequately differentiated, poorly staffed and fails to meet the requirements of this framework. The paper points out the pre-requisites for success of other HRD frameworks in India.

Vijila Kennedy\textsuperscript{11} examined HRD Practices in different Indian Commercial Banks and concluded that, "...All structures, systems, and processes that an organization used to help its employees acquire or strengthen their capabilities can be viewed as HRD Practices. To reap the full benefits of these HRD practices, banks should implement them and utilize them to hone the skills and efficiency of their employees."
Vijay Nagaswami explained HRD in the alacrity way and tried to link HRD with corporate philosophy.

Jha B. K. reviewed in his article titled Human resource development in Indian perspective that HRD programmes not only sources of the income and desire to work of the human being and is an urgent need for the development of rural institutions for economic development.

Ann P Bartal had identified in his study on banking sector, that controlling for the characteristics of the market in which the branch is located and characteristics of the bank employees as well as an observed branch specific and an observed manager specific characteristics, the human resource development environment at the branch, as measured by the performance evaluation and feedback system and quality of communications between the manager and the staff, had a significant effect on the branches performance.

Madhavi Mehta identified the value system on different orientations among the HRD professionals and concluded that the professionals should focus their efforts around the value orientations identified through the study, in order to succeed and create a robust niche for the profession.

Prasanna K examined and concluded "... HRD aims to integrate career development along with other intervention so as to assure steady stream of able and motivated human resources."

Jackson and Venkatapathy conducted an empirical verification with reference to various types of organizations focusing on HRD attitude and climate and concluded HRD attitude and HRD climate among personnel belonging to large organizations would show significance relationship.
Shete N B\textsuperscript{18} did a study on HRD for rural banking and addressed various issues relating to executing functions pertaining to HRD.

Praveen Khan\textsuperscript{19} in the paper "Training employees for total quality" has made an attempt to study the concept of Total quality and process of training and development of human resources. She also examined critically, the role of training and development in achieving the goal of total quality. He studied the three broad objectives of training and guidelines are proposed for quality oriented frame work of training and its implementations".

Ramesh Kumar M.N\textsuperscript{20} has made a study on human resources practices in co-operative central bank in Andhra Pradesh. His study was to survey the personnel management practices that are prevalent in Central Co-operative Banks (CCB) of Andhra Pradesh, as the employees and banks are experiencing several changes on account of development programmes being implemented in the co-operative banking sector. He studied the training facilities available at CCBs, promotion polices and carrier development.

Manish Agarwal\textsuperscript{21} has studied the importance and effectiveness of performance appraisal system in an organization and examined the managerial perception of the overall effectiveness of the performance appraisal system and to effective.

P.S. Hariharan\textsuperscript{22} explained the role of human resource development in Indian history in the context of globalization.

Rajeswari Narendran and Narendran\textsuperscript{23} had studied the impact of Information Technology (IT) on various scenarios like psychological, socio-cultural, education and the role of HRD in the management of IT for the optimum benefit of masses. They conducted a survey administrated on persons of various age groups having different socio-cultural-educational background.
They found that the impact of IT is visible as an inseparable part of every one, irrespective of their socio-economic and educational status.

Anil Kumar Singh focused on the fact that identifies the relationship between HRD practices and philosophy of management of the Indian business organizations. And he found that the variables of HRD practices (training, performance appraisal, reward system etc.) were highly but negatively related to the philosophy of management in the private sector organizations. This meant that the Indian organizations were practicing traditional philosophy of management in such organizations.

Iswar Dayal discussed the patterns of HRD Management and identified three different HRD approaches as practiced in Indian organizations. These are man-centered, reciprocal, and selective.

Rao T V focused on HRD process in public and private sector enterprises and he explained HRD Process is facilitated by mechanisms like performance appraisal, training, organizational development, feedback, counseling, career development, potential development, job rotation, and rewards. Employees are continuously helped to acquired new competencies through a process of performance planning and assessment of the development opportunities through training, job rotation and such other mechanisms.

Singh J P explained that top management should examine the managerial culture of the group and organization before introducing change through human resources development interventions and based on their value orientations. Singh classifies HRD Interventions into three families and recommends that family of HRD Interventions most suited to different cultural groups.
3.3 Research Contribution

According to Sharma J K and Raj Purohit RCS\textsuperscript{28}, in a service oriented industry like banking the manpower is the key input and serious focus has to be given on human resource development so as to enable the existing banking system to successfully meet the emerging challenges in the coming years.

Tamrat Getahun\textsuperscript{29} had explained the human resource development is responsible to undertake the function of upgrading skills and knowledge of the employees and this is done through training, educating and developing. Training is especially important in industries with rapidly changing technologies.

Rani Geetha Priyadarshini R\textsuperscript{30} in her research work titled “Impact of Human Resource Development on Organizational Effectiveness –with special performance to the Banking Industry. She has examined the impact of HRD in Service oriented industry like banking sector. She opined that HRD enabled the existing banking system to successfully meet the emerging challenges in the coming years. And she stressed that need to develop the latent potential of employees, oriented perspective and re-oriented their basic attitudes, motivation, and develops collaborative working process in the banking system.

Tamrat Getahun\textsuperscript{31} did his research on “Employees Opinion About Human Resource Development Practices of National Bank of Ethiopia (Nbe): A Study”, He focused on the strength and weakness of NBE with respect to the employee training and management development programs and he found that NBE’s strength in most of the Training and Development program process, especially with respects to adequacy of HRD budgets, HRD methods, trainer’s capabilities and skills, appropriateness of training facilities and desired content of the HRD programme. However, NBE is not as such effective enough relation to HRD programme’s need
assessment objectives, training period's adequacy, and evaluation as majority of the respondents replied. Thus, the bank should alleviate its weakness by applying scientific principles regarding HRD programme."

Sree Jyothi V33 had explained in her research work "Human Resource Issues and Challenges in Indian Banking Sector's", she identifies few HR challenges like protect the falling margins due to the impact of competition and impact of bank today is the use of technology in the Indian banking context and suggests some HRD Mechanisms to handle them.

Sudhakar Reddy33 in his research theory titled, "Role of Technical Manpower in the Development of IT Industry", concluded that human source development and corporate governance are the two latest buzz words in business. In a majority of the corporate sector, practices are not adopted voluntarily. They require legal compulsion and HRD is one such instance. The personnel department has been primarily development of employee compensation and implementation of employee benefits and welfare measures. It is only in professional and progressive organizations, the personnel function has been involved in improvement of productivity, human resource management and development, career planning no longer be the responsibility of the personnel function. The level of education of individual employees has improved so much that self development is in fact one's own career development and the influence of personnel function will be minimal yet the personnel function has to play a crucial role in aligning the career needs of the employee and career opportunities available within the organizations.

Vijaya Kumar M34 in his research study, "Human Resource Management Practices in Rayalseema Grameena Bank", studied the various subsystems of HRD in Rayalaseema Grameena Bank.
3.4 Websites

Rohanmetra N\textsuperscript{35} has explained the importance and role of HRD as a strategic variable in deterring the long-term success and growth of an organization.

Bruno\textsuperscript{36} in study explained that every bank is given a specific target in terms of deposits and revenue and if banks achieve these targets then they are given rewards accordingly and this is the basic appraisal system in Indian banks.

Adetunji R.O\textsuperscript{37} did a study focusing HRD impact on the productivity and suggested that properly defined HRD policies will work relatively proposition to productivity.

4.0 NEED FOR THE STUDY

Need for the study is viewed on two fronts:

- In the aspect of review of literature.
- It's significance in rural banking sector.

It is true that a number of studies have been undertaken on several aspects of human resource development in banking industry. But no attempt has been made so far to investigate into on Human Resource Development Practices in Andhra Pragathi Grameena Bank. It is this fact that urged the researcher to take up the present research work.

The need of the HRD is more in service oriented institutions like rural banks. An efficient and effective banking system helps
the process of economic development of any nation as per its priorities. It functions as catalytic agent for bringing economical, industrial and agricultural growth and prosperity of the country. A banking institution would be functioning efficiently, only when the objectives of sound banking system are achieved effectively. These objectives can be achieved only when employees of the bank are trained well and motivated by the management for the contribution towards productivity and overall effectiveness of the bank. Thus, the efficiency and effectiveness of rural banking would depend upon how best the management has taken care of the development of its employees working in their institutions. Thus, HRD in the context of banking would mean not only the development of new knowledge and skills of the employees but also developing capabilities to meet the need of both internal and external environment, attaining self confidence and motivation for public service. Hence, the present study.

5.0 OBJECTIVES OF THE STUDY

The study specifically aims at:

- evaluating the performance appraisal system in Andhra Pragathi Grameena Bank;
- appraising the training and development programmes;
- probing into promotion and transfer polices;
- analyzing the reward system; and
- offering the corrective measures for effective human resource development practices in Andhra Pragathi Grameena bank in particular and other Grameena banks in the country in general.

6.0 HYPOTHESES

Based on the above objectives, the following null hypotheses are formulated:
employees age and their cadre are independent;
employees gender and their cadre are independent;
there is no significant relation between employees' degree of acceptance and their cadre with respect to performance appraisal system;
there is no significant relation between employees' degree of acceptance and their cadre with respect to training and development;
there is no significant relation between employees' degree of acceptance and their cadre with respect to promotion policy;
there is no significant relation between employees' degree of acceptance and their cadre with respect to transfer policy; and
there is no significant relation between employees' degree of acceptance and their cadre with respect to reward system.

7.0 SAMPLE DESIGN

The study confines to HRD practices in Andhra Pragathi Grameena Bank in Kadapa town. The universe for the study consists of all employees excluding messengers working in eight branches, regional office and head office, numbering 177. The details are shown in Table 2.1.

The universe represents three cadres, viz., officer III and IV, Officer I and II and clerk-cum-cashier on basis of stratified sampling technique. Each cadre comprises 18, 56 and 103 employees respectively.

The employees from each cadre are chosen by applying simple random technique. Consequently, 8, 25, and 47 employees were selected from Officer III and IV, officer I and II and clerk-cum-
cashier cadres respectively. The sample, therefore, constitutes 80 employees from all three cadres (see Table 2.2)

**Table 2.1**

**CADRE-WISE EMPLOYEES’ DETAILS**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Cadre Officer III and IV</th>
<th>Cadre Officer I and II</th>
<th>Cadre Clerk cum Cashier</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Head Office</td>
<td>9</td>
<td>26</td>
<td>35</td>
<td>70</td>
</tr>
<tr>
<td>2</td>
<td>Regional Office</td>
<td>3</td>
<td>10</td>
<td>12</td>
<td>25</td>
</tr>
<tr>
<td>3</td>
<td>Chintakommadinne</td>
<td>1</td>
<td>3</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>4</td>
<td>Devunikadapa</td>
<td>0</td>
<td>2</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>5</td>
<td>Main Branch</td>
<td>1</td>
<td>4</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>6</td>
<td>Kagitalapenta</td>
<td>1</td>
<td>2</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>7</td>
<td>Moachampet</td>
<td>1</td>
<td>2</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>8</td>
<td>Nesco Kadapa</td>
<td>0</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>9</td>
<td>Police Lane</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>10</td>
<td>Jaya Nagar Colony</td>
<td>1</td>
<td>3</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Branch</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>18</td>
<td>56</td>
<td>103</td>
<td>177</td>
</tr>
</tbody>
</table>

Source: Andhra Pragathi Grameena Bank, Year Book, 2009-2010.

**Table 2.2**

**CADRE-WISE SAMPLE DETAILS OF EMPLOYEES**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Cadre</th>
<th>Total number of employees</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Officer – III and IV</td>
<td>18</td>
<td>8</td>
</tr>
<tr>
<td>2</td>
<td>Officer – I and II</td>
<td>56</td>
<td>25</td>
</tr>
<tr>
<td>3</td>
<td>Clerk-cum-Cashier</td>
<td>103</td>
<td>47</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>177</td>
<td>80</td>
</tr>
</tbody>
</table>

Source: Table 2.1

**8.0 DATABASE**

The data for the study includes primary and secondary sources. The primary data is collected by administering the
schedule to the different cadres of employees working in Andhra Pragathi Grameena Bank. The information on HRD practices of APGB is also gathered from oral discussions of the officials concerned.

The secondary data includes various files, letters, and manuals available at human resource development department in APGB and various publications available viz., Government of India, Ministry of Human Resource Development and Libraries of various universities. Magazines, journals, periodicals and websites are also referred to.

9.0 Reference Period

The period of the present research study is confined to one year i.e., 2008-09 for collecting the primary data through canvassing the schedule specially designed for the purpose.

10.0 Scope of the Study

Present study is confined to the subsystems of human resource development viz., performance appraisal, training and development and promotion, transfers and rewards systems in Andhra Pragathi Grameena bank. The other areas general in nature relating to HRD are excluded from ambit of the study.

11.0 Limitations

Some of the problems dealt with in this study are purely of a delicate nature and touches upon the levels of efficiency. Owing to this, few respondents have not evinced keen interest in providing information. Despite, this limitation do not act as deterrent in drawing the meaningful and purposeful conclusions from the present study.

12.0 Tools of Analysis

The percentages, averages, chi-square test are applied at appropriate contexts. Charts and graphs are also illustrated to illuminate the facts and figures where ever necessary.
13.0 CHAPTER LAYOUT

The thesis is organized into **SEVEN** Chapters

**Chapter-1**  Introduction.

**Chapter-2**  Research Design and Methodology.

**Chapter-3**  Profile of the Andhra Pragathi Grameena Bank.

**Chapter-4**  Evaluation of the Performance Appraisal System.

**Chapter-5**  Appraisal of Training and Development.

**Chapter-6**  Analysis of Promotions, Transfers and Reward System.

**Chapter-7**  Summary of Conclusion and Suggestions.
REFERENCES


36. Http://www.blurtit.com/q272188.html