Human Resource Development in Banking Industry - An Overview
In the past, organizations were content with 'training' as a mechanism of developing competencies. As organizations started realizing the limitations of training in developing skill-based competencies, and the need for creating a 'development climate' that can develop and harness the human resources, they began exploring other mechanisms of development that led many organizations to set up new/many departments of human resource development. Human Resource Development (HRD) departments have grown in number in Indian organizations in the last few years only. Some organizations are still debating and are waiting to set up the new department of Human Resource Development.

Every organization is made up of four interacting variables viz., task, technology, structure and people. 'Task' denotes the purpose of the organization. 'Technology' is the method by which the organization uses to do its task. 'Structure' is the authority-responsibility relationship among its people. And last, though not the least important variable are 'people' themselves. In the present chapter, an attempt has been made to explain the significance of the human factor from the point of view of management and human resource development in India during the Plan era.

2.1 HUMAN RESOURCES IN ECONOMIC DEVELOPMENT

Economic growth and development is determined by the availability of capital, raw-materials, power, market, machinery and equipment, entrepreneurial ability and technical and skilled man-power. The three broad heads under which these determinants of growth could be grouped are: human, physical and financial. Of these three key resource factors which determine a country’s capacity for economic growth and development, the human resource factor appears to be, in the final analysis, the most strategic and critical. A country may possess abundant and inexhaustible natural and physical resources and the necessary machinery and capital equipment, but unless there are men who can mobilize, organize and harness nature's bountiful resources for the production of goods and services, the country cannot make rapid strides
towards economic and social advancement. Thus, one of the major tasks confronting the developing countries is the building up of 'human capital'. There is a growing realization that a rapid rate of human capital formation is an essential pre-requisite for economic growth and the rapid rate of physical capital formation. The growing awareness of the need for and urgency of building 'human capital' for the attainment of accelerated and self-sustained economic growth could be ascribed to several factors.

First, the belief is gaining ground that economic growth in the advanced countries appears to be attributable, in larger part than was previously supposed, to human skills rather than to capital. In fact, several of the empirical studies recently conducted show that 'human capital' has grown in the Western societies at much faster rate than conventional (non-human) capital, and has made a much larger contribution to economic growth than non-human capital. Secondly, investment in human resources has directly contributed to economic development and growth, by promoting the knowledge and application of science and technology to production processes, developing innovations and research, training the workers in different technical skills needed for modern production and building up of the right type of attitudes, values and interests conducive to higher output. Basically, economic progress is related to technological advancement, and technological advancement, in its turn, depends upon the availability of scientific and technical skills in requisite numbers. The fundamental problem in developing countries is, therefore, not so much the creation of wealth but rather the creation of the 'capacity' to create wealth, and strengthening, widening and improving the 'absorptive' capacity of the country.

Thirdly, human resource development is not only an essential pre-requisite for economic growth; it is among its major objective as well. Countries have been cautioned that 'one of the greatest dangers in development policy lies in the tendency to give the more material aspects of growth an over-riding and disproportionate emphasis. The end may be forgotten in the
pre-occupation with the means. Human rights may be submerged and human beings seen only as instrument of production, rather than as free entities for whose welfare and cultural advance the increased production is intended.

Fourthly, the rapid and spectacular post-war recovery of countries that suffered the destruction of physical capital including factories, railroads, bridges, dockyards, power stations, and irrigation dams, could be ascribed, by and large, to the nation's resources in technical and skilled man-power, that helped to rebuild the entire productive system damaged by the war. But for the availability of human capital, the process of recovery would have been slow.

Finally, in most of the developing countries, there are possibilities of raising the general living standards of the population substantially through fuller and rational utilization of the surplus human resources particularly in the rural areas and through the development of physical and mental capacities of the population, primarily through education, training and development of right values and attitudes.

There is growing realization that human beings, like plant and machinery and other physical assets, are, important instruments of production; that investments on them are as productive and income-yielding as on physical assets and inventories; that under-development of nations could be ascribed as much to the under-development of human resources as to the under-development of natural and physical resources; and that 'education' and 'training' are important producers of 'goods' industries manufacturing skills, and like other public utility service, distributing 'knowledge' and 'skills' and are, as such, making as important a contribution to economic growth and development as the other industries and services. The planners and policy makers, and economists and educationists, are, therefore, anxious to assess, objectively and quantitatively, the contribution of human resources to economic growth and development.
2.2 IMPORTANCE OF HUMAN FACTOR

Of all the factors of production, man is by far the most important. The importance of human factor in any type of co-operative endeavor cannot be over-emphasized. It is a matter of common knowledge that every business organization depends for its effective functioning not so much on its material or financial resources. The human resource becomes even more important in the service industry whose value is delivered through information, personal interaction or group work. The overwhelming importance of this factor is due to its unique characteristics such as,

1. This is the only resource which can produce unlimited amounts through better ideas. There is no apparent limit to what people can accomplish when they are motivated to use their potential to create new and better ideas. No other resource can do this.

2. It is only this resource which appreciates in value with the passage of time. As time passes, people become experienced and skilled. It is not so with other resources which generally depreciate.

3. It is this resource only which can contribute to sustained competitive advantage through facilitating the development of competencies that are organization-specific and difficult to imitate.

4. It is this resource only which is animate, complex and unpredictable in many ways. Employers must understand their employee satisfaction or dissatisfaction/their resentment or pleasure, resistance or acceptance for all types of his actions. The employer must also understand that all employees have different psychological frameworks and, therefore, they cannot be treated like. In order to motivate to employees a manager must follow tailor-made approach based on his understanding of the action, attitudes, needs and urges of the employees concerned. This is a very formidable and challenging task.
5. It is this resource only which can organize itself into unions and militate against the undesirable actions of the employer. Along with various laws such as the Factories Act, Employees State Insurance Act and the Workers’ Compensation Act, this resource can dictate certain minimum standard of dignity and respect with which it must be treated by the employer.

2.3 CONCEPT OF HUMAN CAPITAL

Human capital can be broadly defined as the sum total of the knowledge, skills and aptitudes of the people, inhabiting the country. In a broader sense, it includes the initiative, resourcefulness, capacity for sustained work, right values, interest and attitudes and other human qualities conducive to higher output and accelerated economic growth. It is not necessary that a country having the largest population is the richest in human resources or human capital. It might sound paradoxical, and yet it is true, that many of the very densely populated countries of the Asian region are most deficient in human capital.

There is, however, a long drawn out controversy among economists, whether, ‘human capital formation’ and ‘physical capital formation’ warrant differential treatment in economic analysis, or whether it is at all useful and meaningful to treat investments in human resources in the same manner as investments in physical resources and build up estimates of ‘human capital formation’ like the estimates of ‘physical capital formation’. Some have questioned the feasibility of treating ‘human resource’ as a form of capital, in view of the formidable difficulties involved in the identification and measurement of ‘human capital’; others, like Professor Hoselitz have warned that the concept of ‘human capital’, particularly in the developing countries, where there is so much unemployment and under-employment, be applied with extreme caution, while others like Professor Schaeffer feel that even if it were possible to overcome the difficulties in calculating the return on investment in
human being, it is not advisable to do so and to attempt to use the result as a basis for policy decision.

The controversy whether ‘human resources’ should be explicitly treated as capital, is still unresolved. Among the classical and neo-classical economists who strongly advocated the treatment of human beings as ‘capital’, Adam Smith, in his Wealth of Nations, boldly included all of the acquired and useful abilities of all the inhabitants of society in his concept of fixed capital. Professor H. Vonthumen, who argued that the concept of capital applied to man did not degrade him or impair his freedom and dignity; Professor Irving Fisher, clearly and concisely presented an all inclusive concept of capital; and Professor Pigou, who, in his last work, Socialism Vs. Capitalism, wrote, “to the Economist, the most important investment is of the people”; Alfred Marshall was, however, of the view that while human beings were incontestably capital from an abstract and mathematical point of view, it would be out of touch with the market place to treat them as capital. In practical analysis many of the modern economists too (like H.G. Schaeffer: Investment in Human capital: A Reply), are not in favour of the use of the concept of capital as applied to man.

Hence Human Resource Development is a common knowledge that without a continuous development of employees’ competencies, no organization can survive to-day, let alone grow or be competent. To be effective, every manufacturing organization needs competent people in all areas, whether they are cost reduction in delays, increased customer’s satisfaction, better quality, prompt service, improved market image and so on. Human competencies are even more critical for service organizations such as banking, rural development, health, education etc., where one has to deal constantly with people. In sum, all types of organizations which want to grow, diversify renew, change, improve or stabilize need competent employees. Human resource development (HRD) meets this need.
2.4 GENESIS OF HUMAN RESOURCE DEVELOPMENT

To bring out the best in a man is the essence of human resource development. Human resource development is the process of increasing the capacity of human resource through development. It is a process of adding to individuals, teams and organization as human system. In a larger context, Human Resource Development refers to empowering the people and enabling them to use their power for development of the organization to which they belong and society at large. Human Resource Development includes both the development of the people and development of the organization. The development process of an individual has two components: viz., (1) the knowledge that is imparted through training activities and (2) The skills that one develops on the job.

The genesis of the term ‘Human Resource Development’ dates back to 1960s, Leonard Nadler at George Washington University, which is the home of the first master’s degree programmed in Human Resource Development. Nadler coined the term ‘Human Resource Development’ and developed a modality that treats Human Resource Development as having three component parts viz., training, education and development. He defined Human Resource Development as organized learning experience provided by employers within a specified period of time to bring about the possibility of performance improvement and for personal growth¹. The core of Human Resource Development is learning. There are many other human resource areas in organizations, but its use of learning is to reach the objectives of the individual and the organization. He relates training to current job, education to future job and development as having no direct relationship to the job. Nadler did not consider Organisation Development to be a part of Human Resource Development². Pat Mclagen’s ‘human resources wheel’, based on research conducted under the auspices of American Society for Training and Development, lists three component parts of Human Resource Development. They are training and development, organizational development and career development³.
Abraham\(^4\) defined Human Resource Development as activities and processes undertaken to promote the intellectual, moral, psychological, cultural, social and economic development of the individual so as to help his/her achieve his/her highest human potential as a resource for the community. In other words, it means a total all-round development of the person so that he can contribute his best to the community and the nation. Human Resource Development can be defined as set of systematic and planned activities designed by an organization to provide its members with opportunities to learn necessary skills to meet current and future job demands\(^5\). Human Resource Development is the creative design and compiling of strategies, structures, systems technologies and human beings in ways that promote both individual effectiveness as well as organizational learning and builds as well as sustains organizational effectiveness\(^6\).

The term 'human resource' refers to the knowledge, skills, creative abilities, talents, aptitude, values and beliefs of an organization's workforce. The more important aspects of human resources are: aptitude, values, attitudes, and beliefs. But, in a given situation, if these vital aspects remain same, the other aspects of human resources like knowledge, skills, creative abilities and talents play an important role in deciding the efficiency and effectiveness of an organization's workforce. However, enhancement of utilization value of human resources depends on improvement of the human resource aspects like skill, knowledge, creative abilities, aptitude and attitude in accordance with the changing requirement of groups, organization and society at large. This process is the essence of human resource development. It is clear from this interpretation that human resource development improves the utilization value of an organization.

The effective performance of an organization depends not just on the available resources, but its quality and competence as required by the organization from time to time. The difference between two nations largely depends on the level of quality of human resources. Similarly, the difference in
the level of performance of two organizations also depends on utilization value of human resources. Moreover, the efficiency of production process and various areas of management depend, to a greater extent, on the level of human resources development.

2.5 HUMAN RESOURCES DEVELOPMENT

Organization to be dynamic should process dynamic human resources. Human resources, to be dynamic, must acquire capabilities continuously; adopt the values and beliefs and aptitude in accordance with changing requirements of the organization. Likewise, when employees use their initiative, take risks, experiment, innovate and make things happen, the organizations may be said to have an enabling culture. The competent human resources can be dynamic in an enabling culture. Thus, the organization can develop, change and excel, only if it possess developed human resources. Thus, Human Resource Development plays a significant role in making the human resources vital, useful and purposeful.

Objectives of Human Resource Development

The objectives of human resource development are as follows:
1). Employee Competency Development.
2). Organizational Climate Development.
3). Employee Motivation Development.

1. Employee Competency Development

Employees require a variety of competencies (knowledge, attitudes, skills in technical areas, managerial areas behavioural and human relations area and conceptual areas) to perform different tasks or functions required by their jobs. The nature of jobs is constantly changing due to changes in the goals and strategies, changes in the profiles of fellow employees (subordinates, bosses, colleagues etc.), changes in technology, new opportunities, new challenges, new knowledge base etc. Such a change in the nature of jobs requires continuous development of employee competencies to perform the job well. Thus competency development is needed on a continuing basis for effective job
performance. Human Resource Development aims at constantly assessing the competency requirements of different individuals to perform the jobs assigned to them, effectively and provide opportunities for developing these competencies.

2. Organizational Climate Development

Human Resource Development also aims at preparing people for performing roles/jobs/functions which they may be required to perform in the future as they go upon the organizational hierarchy or as the organization takes up a new task through diversification, expansion, modernization, economization, etc. Human Resource Development tries to develop the potential of employees for future likely jobs/roles in the organization. The purpose of Human Resource Development is to identify competency gaps of employees to perform the present roles/jobs/tasks/functions effectively and create conditions to help employee’s bridge these gaps through development.

3. Employee Motivation Development

Motivation development is also an aim of Human Resource Development. Motivation means the desire to work or put in work effort. It is a commitment to the job, work and the organization. It is also the desire to make things happen. Without motivation, employees are not likely to give their best. Having technical and managerial and human competencies is not enough for effective performance on the job. Motivation is influenced by various factors such as one’s own needs, personality and habit patterns, supervisor’s styles and behaviour, personnel policies, organizational culture and environment, career opportunities and reward mechanisms. Human Resource Development aims at developing the motivation of employees to the maximum extent possible so that they can become dynamic contributors to organizational goals. Implied in the above goals are the goals of developing superior-sub-ordinate relationship, team development, inter-team collaboration and organizational health. Thus, Human Resource Development has the goals of developing individual competencies, two person relationship, team spirit and organizational health.
2.6 HUMAN RESOURCE DEVELOPMENT METHODS

A number of methods, also called mechanism, instruments or sub-systems), have been developed to set human resource development process in motion. One can classify these methods into two, viz.,

a) those used for developing managers and their dyads, teams, inter-teams etc. and

b) those used for developing workers and their dyads, teams, inter teams etc.

The most frequently used methods in the first category are as follows, viz.,

1. Communications policies
2. Role Analysis
3. Performance Appraisal
4. Training
5. Potential appraisal
6. Career planning
7. Rewards

Because of the different levels of knowledge and job requirements of workers, HRD methods for them have to be different. Important mechanisms successfully tried in their case are as follows:

a) Human Relations Approach
b) Communication Policies
c) Training
d) Job Enrichment
e) Welfare, Counselling and Better Quality of Work Life
f) Grievance Mechanism
g) Industrial Relations
h) Participation
The mechanism listed in the above two categories is not the only mechanism for development of managers and workers. Many more mechanisms may be conceived for developing human resources. In order to obtain synergic benefits of Human Resource Development, it is essential that not one or two Human Resource Development mechanisms but as many of them as possible are implement in a systematic and comprehensive manner.

2.7 OUTCOMES OF HUMAN RESOURCE DEVELOPMENT

Following are the various outcomes of Human Resource Development

1) Training makes people more competent. They develop new skills, knowledge and attitudes.

2) There is greater clarity of norms and standards. People become better aware of the skills required for job performance and the expectations which other members have set before them.

3) People become more committed to their jobs because now there is greater objectivity in the administration of rewards. The data-based appraisal system reduces subjectivity to the minimum. People are assessed on the basis of their performance against agreed objectives such as team spirit, risk taking and creative qualities. They become more productive in their orientation.

4) People develop great trust and respect for each other and they become more open in their behaviour. Thus, new values come to be generated.

5) There is greater collaboration and team work which produce synergy effect.

6) There is greater readiness on the part of employees to accept change. They find themselves better re-equipped with problem-solving capabilities.
7) Lot of useful and objective data on employees are generated which facilitate human resource planning.

8) Participation develops in workers a sense of achievement and they take pride in their work.

The net result of the above outcomes is that the organization attains new heights in terms of quality, productivity, growth, diversification, profits and public image.

2.8 HRD PROCESSES

It should be remembered that there is no direct link between methods and outcomes. Various Human Resource Development methods, if properly designed and systematically implemented, generate a number of Human Resource Development processes which, in turn produce the above outcomes. In all, there are six such processes as described below:

1) At the personal level, there is the existential process. This process tells us how an individual perceives his environment, how he interacts with others, how he achieves his goals in life and so on. If this process is neglected, it may adversely affect the integration of the individual with the organization and his quality of work. Career planning, performance appraisal and reviews, feedback, counselling, job enrichment, objective rewards etc. improve this process.

2) At the inter-personal level, we have the empathic process. This process tells us how much empathy one individual has for the other person and how does he reach out to the other person and establishes a relationship with him. If this process is neglected, it may adversely affect the inter-personal effectiveness of individuals in an organization. Training, rotation, communication etc. improve this process.
3) At the role performance level, we have the coping process. Every individual is required to cope with various pressures and stresses in relation to his role in the organization. However, if the individual's role is clear and the individual is aware of the competencies required for role performance he can cope with these pressures effectively. Role analysis goes a long way to improve this process.

4) At the group level, we have the building process. This process tells us how various groups form themselves as distinct entities in organizations; how do they become cohesive and strong and how can they effectively contribute to the goals of an organization. Several organizational development and team-building exercises improve this process.

5) At the inter-group level, we have the collaborative and the competitive processes. Both can either be positive or negative. Competition is positive if it poses a challenge to a group in terms of standard of performance and achievement. It is negative if it prevents a group from attaining it goals. Similarly collaboration is positive if it aims at helping achieve the common goal and is negative if it aims at escaping hard work. This process can be very much improved by creating a climate of trust, authenticity, openness etc. and by clarifying norms and standards.

6) At the organization level, we have the growth process which involves issues relating to organizational climate, self-renewal and change.

From the above description, it is clear that there is a very close link between Human Resource Development methods, process and outcomes. An organization will get the desired outcomes only if the right kind of processes have been generated and for this it is necessary to design and implement the right type of methods. Further, the generation and internalisation of Human Resource Development process is always very slow and may take years. Hence, an organization should not look for quick outcomes from its Human Resource Development efforts.
2.9 HUMAN RESOURCE DEVELOPMENT IN THE BANKING SECTOR

To-day's increasing complex and volatile business environment characterized by globalization, liberalization and the invasion by the transnational companies makes management of Indian enterprises a tough game. Enhancing competitiveness in the global market place presents the ultimate challenge to policy-makers, business leaders and entrepreneurs in any industry including banking.

The banking industry has also realized the fact that the human resource or the personnel are to play an important role to achieve a high rate of growth of the bank. An employee is generally regarded as an innovator and supporter of innovations and a conscious developer of business in any banking industry. The key to successful management in any banking lies in effective utilization of the personnel they recruit from time to time. Banking industry in our country is fast developing and it has been assigned a crucial role in country's economic development, particularly the rural economy. Branch expansion and employment generation has touched new heights in this industry. In view of its expanding role in the national economy and huge public funds at the disposal of banks, it is the need of the hour for banking industry in general and rural banks in particular to adjust to their operation.

Human Resource Development acquires special meaning in the banking industry owing to variety of factors. First, banking is a labour-intensive industry and labour turn-over is almost nil. Secondly, job security of employees is very high even at this age of global competition. Besides, the quality of banking services and the objectives of banks in achieving its socio-economic goals are highly dependent on the employees who deliver services.

It is increasingly recognized that a sound personnel management is vital to high growth and development of banking services. The personnel of bank are the catalysts in fulfilling the objectives of the bank. The personnel are a resource of the bank just as its capital, deposits and assets are. For numerous
functional aspects, the banks need a well-equipped human resource. To-day, the bank needs efficient, polite and enthusiastic bank-men capable of developing close contacts with people especially in the rural area and who are perfect in making and maintaining public relations. Therefore, an effective management must ensure that the efforts of personnel are channeled, and guided on productive lines, hence, the vital importance of the systematic management of the bank personnel.

Human Resource Development, in the context of banking, would mean not only the development of new knowledge and skills among the employees but also developing capabilities to manage both internal and external environment, attaining self-confidence and motivation for public service. It aims at motivating the employees to express their creativity in rendering better customer service. Besides for providing functional skills and expertise and to develop one’s potential, Human Resource Development efforts in banks focus on building a strong character of honesty, integrity and truthfulness. Such efforts try to culminate in enhancing the banks renewal capabilities through competitiveness, innovations and creativity. They help crystallize values that are goal-supportive and contribution-oriented. It emphasizes that the functional style, the ethos and culture and work ethics be built around people, manifesting a concern and be sensitive to the needs of the organization, its clientele and the community. The entire philosophy of developing an employee in the banks rests in building a holistic person by moulding his personality, character and way of life that would be modelled in its manifestation of qualities that could be considered as that of an ideal employee, a good family man and a responsible citizen.¹⁰

The Human Resource Development policy, therefore, in the banks has to act as an effective instrument to encourage employees to express creativity, to attain excellence and finally to render better customer service. Thus, the objectives of Human Resource Development in the banking industry can be listed as under:
1. Creating a climate of openness and trust.
2. Building a collaborative culture whereby every one is an important member of an effective team.
3. Preparing individuals for technological competence.
4. Promoting human capabilities and competences in the organizations.
5. Building a strong character of honesty and integrity in performance.
6. Helping the individual to develop his/her potential to realize his/her power so that his/her will be able to achieve his/her self goals while contributing in ample measure to the success of the organization.
7. Improving quality of work life.

**2.10 SIGNIFICANCE OF HUMAN RESOURCE DEVELOPMENT IN BANKS**

The success of today's banking business will predominantly depend on the human resources of the organization at all levels. Organization should have its processes that it empowers and exploits the skills and attitudes of employees in this changing environment. Human Resource Development acquires more importance in service organization like banks where human resource plays a crucial role. The creative abilities, capabilities and knowledge of human resources are significant in case of service organization, where the very nature of functioning needs all these qualities of employees.

The aspect of Human Resource Development also assumes importance in the present day conditions in banks where there is severe competition among them and as the spectrum of functions of these organizations are widening. The banks in particular are entering into various innovative areas of services of their customers. These enlargements of the scope of jobs need enhancement of capabilities and potentialities of employees. Improved performance of bank through enhanced capabilities of its employees leads to the improved social
image of the bank. This, in turn, satisfies social needs of employees. So, employees are to be given a change to develop their capabilities like skills and knowledge through various means like career planning and growth, training enhanced capabilities leads to better performance of the job.

The emerging concerns about new values of humanism and humanization have also added to this interest in Human Resource Development. Organization researchers in the past have been able to bring about a better understanding of the concept of work and human behaviour associated with it. All the understanding of work and human behaviour, based on experiential and empirical evidences, point out that human systems are not static. The ever-changing environment is continuously influencing it, especially in the banking industry. Human Resource Development has to be viewed as a dynamic process in the banking industry, which needs to be kept aligned with the changing realities in the environment. The underlying emphasis in Human Resource Development, therefore, would be to work for the appropriate fit between work and people from time to time.

Human resource development in the banking industry is a process by which the employees of the bank are helped, in a continuous planned way, to acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles; develop their general capabilities and discover and exploit their own inner potentials for organizational development purposes; and develop the culture in which superior-sub-ordinate relationships, team work and collaboration among sub-units are strong and contribute to the professional well-being, motivation, and pride of employees. Human Resource Development is important because it refers to all those educational, training and developmental activities conducted by a business organization to improve human performance. It is a broad term, which includes all activities designed to get employees to work more effectively within a given organization.

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Despite several mechanical aids and gadgets available as facilitators for quick and efficient service, banking has remained an essentially peoples' business i.e., managed by people. There is, therefore, a very great need for paying much more attention to the availability of trained and motivated people to achieve corporate goals and objectives\(^\text{12}\). In the context of banking industry, Human Resource Development is defined as a process by which people are assisted in a continuous and planned manner to develop their job competence, personality and other capabilities\(^\text{13}\). It refers to the activities undertaken by a bank to promote the intellectual, social and psychological development of employees so as to help them in achieving their highest potential. It is the all-round development of people so that they can contribute their best to the bank and the country. Human Resource Development is not merely a set of techniques but a process by which employees in a bank/branch are assisted in a planned manner to acquire or sharpen the skills required to perform their present and future roles effectively; develop the general capabilities to discover and exploit their potential for their own and organizational development and develop an organization culture that encourages team-work mutual trust and freedom to express one's opinions and feelings so as to contribute to the professional well-being of employees and the organization.

In banking industry, Human Resource Development is a process and not merely a set of mechanisms and techniques. The mechanism and techniques such as performance appraisal, counselling, training and organization development interventions are used to initiate, facilitate, and promote this process in a continuous way. As the process has no limit, the mechanisms may need to be examined periodically to see whether they are promoting or hindering the processes towards the progress of banks. Organisations can facilitate this process of development by planning for it, by allocating organizational resources for the purpose, and by exemplifying an Human Resource Development philosophy that values human beings and promotes their development. The goal of Human Resource Development systems is to
develop the capabilities of each employee as an individual; the capabilities of each individual in relation to his/her present role; the capabilities of each employee in relation to his/her expected future roles; the dyadic relationship between each employee and his/her supervisor; the team-spirit and functioning in every organizational unit; collaboration among different units of the organization; the organization’s overall health and self renewing capabilities; which, in turn, increase the enabling capabilities of individuals, dyads, teams, and the entire organization\textsuperscript{14}.

Human resource development is influenced by trends in other disciplines such as demographics, politics, technology and a number of other domains. In this connection, the critical uncertainties confronting Human Resource Development are\textsuperscript{15}:

1. \textbf{Competition for the expertise elite:} What is Human Resource Development’s role in recruiting or developing increasingly competent and expert workers?

2. \textbf{Globalization:} How will Human Resource Development balance the boundaries of time, space, geography and culture while maintaining its focus on developing workplace expertise?

3. \textbf{Locus of control:} How will Human Resource Development strike a balance between ever-demanding organizations and individuals?

4. \textbf{Marketability of knowledge:} What is the role and responsibility of Human Resource Development in developing, sharing, transferring and protecting organizational knowledge?

5. \textbf{Next Age:} How can Human Resource Development assure that it is flexible enough as a discipline to respond effectively to the demands of a variety of ages and the priorities they will bring?
6. Technological explosion: How will the roles of Human Resource Development shift in the context of a highly automated technologically demanding workplace?

Significant changes are taking place in the field of Human Resource Development. Technology has now become a core driver of learning systems. Development of employees and business becomes both global and virtual in many of their operations. Class-room-based training is declining as technology and other approaches to delivery of learning become more prevalent (i.e. mentoring, on-the-job training, action learning, problem-based learning and job rotation). Globalization and technological revolution have changed the landscape of banking business and to address these unprecedented changes there is a need to developing employees’ skills, effective utilization of technology, developing new organizational structure, and building cultures that foster learning and innovation.

Service organizations play a vital role in our economy in terms of the creation of employment potential and contribution to the national income. The involvement and role of human resources of in-service organization is very high as the entire process of rendering service is their responsibility. As such, improving Human Resource Development in service organization to facilitate best possible performance from employees has become very important.

Commercial banks are an important part of service organization in countries like India. In a planned economy like ours, the part played by banks is very significant. The commercial banks in India supply credit to the promotional and developmental activities of the society and at the same time restrict credit for socially undesirable, unwanted and economically less beneficial purposes. Thus, commercial banks help the Government in implementing the long-term plans and for utilizing the credit according to the planned priorities of the country.
The spectrum of services rendered by the commercial banks has grown remarkably especially in the post-nationalisation period. Commercial banks evolved various modes and instruments of financing, moving away from 'traditional banking' to 'social banking' and from 'class banking' to 'mass banking' by responding to socio-economic needs of the public. The commercial banks have to face challenges in the context of the policy economic liberalization.

The banking industry, therefore, needs human resources who are intelligent, with a logical sense and flair for the quick grasp of issues and subjects. Besides, most importantly, banking industry needs motivated personnel with entrepreneurial flair, financial wizard, technical brilliance, administrative efficiency etc. In fact, sound Human Resource Development enables the bank management to have such human resources. The studies of Human Resource Development in commercial banks assume greater significance in view of economic liberalization and the need for qualitative human resources.

The study of human resources in the commercial banking industry assumes greater significance as committed and competent human resources with higher personal productivity is the need of the hour in banking industry in the wake of challenges posed by liberalization, privatization and globalization.
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