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INTRODUCTION

In this chapter, the summary and findings of the study undertaken are presented. The human resource development of The Bank of Baroda and HDFC banks has been studied. The summary and findings thereon will throw light on areas of strength and weaknesses and show how far the system can examine itself of its past performance and arrange for future advancement.

The forces of globalization, liberalization, advancements in technology and changing customer preferences have had major repercussions in the Banking Industry, necessitating the need for the effective Human Resource Strategies. Keeping in mind the main findings of the Study and for effectiveness of Human Resource Practices, the following recommendations may be outlined. The Banking Industry has now entered in an era of post-liberalization competitiveness requiring a fresh look at the management structure at the apex levels in terms of strategic intent to be reflected in well articulated organizational vision, mission, and objectives. Though Banking Organizations in the Private Sector including Foreign Banks have shown their inclination towards this aspect, the same has been, however missing, in The Bank of Baroda with the exception of some Banks like State Bank of India and Bank of Baroda. There is now a felt need towards bringing this change for sustained organizational performance. In specific, a bold initiative at the Banking Industry level, particularly for the Public Sector Banks, is required by way of setting up an empowered task force consisting of the representatives of the Government, Reserve Bank of India, Banking Sector management professionals, labour representatives and renowned management consultants to help bring about movement towards stratification of the
Banking Sector in India. It has become an urgent need in the wake of progressive dilution of The Bank of Baroda equity requiring greater accountability. At the level of various Banks, there is an institutionalized set-up in the form of well structured Human Resource Divisions in place of the erstwhile personnel departments to undertake various Human Resource Functions. Now, these Functional Departments have well established ways of working; but in terms of operational Human Resource functions they are circumscribed due to the existence of internal structures such as Banking Recruitment Board in The Bank of Baroda and rigid bipartite wages and service conditions machinery at the Bank as well as at the industry level. The Banks, particularly HDFC, is however bringing in innovations in their marketing and customer relation strategies by way of formulating different products and technology based delivery systems. However, the emerging marketing orientation, though well conceived, has not been meshed with well thought-out Human Resource Practices in the backdrop of well structured Human Resource Strategies. Needless to emphasize that without such Human Resource Practices, Banking Organizations would not be able to deliver increasing expectations of globalized customers.

Bank-wise, some Human Resource initiatives have been noticed such as: planning of career path for employees, sharing organizations performance related information with employees, allowing creativity and innovation amongst employees, empowering employees, flexi time and new work arrangements, health promotion programmes, improved working conditions, quality of work-life, grievance handling etc., but they seem to be isolated or fragmented pieces of praiseworthy Human Resource Practices. Such Human Resource initiatives have emerged over a period of time in the last decade due to exigencies of the time. In view of their well acceptance by employees; such practices, along with other well thought practices, need to be integrated with Bank level Human Resource Strategies to be formulated by the Human
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Resource Divisions in line with Bank level business strategies. Scope for bringing in such integration is much wider in HDFC Banks compared to the Public Sector Banks. Therefore, it calls for innovativeness to meet this challenge in The Bank of Baroda which are under greater bureaucratic control and entrenched unionization.

Assuming that in times to come greater emphasis on Human Resource stratification would be needed; therefore, the following aspects may be noted towards bringing effectiveness of Banking Sector Human Resource Practices. The integration of business, based on an understanding of the direction in which the Banking Organization is going, with the Human Resource Practices would help in proper understanding and forecasting of manpower needs quantitatively as well as qualitatively over a period of time. Banking Organizations of future shall require to be more dynamic, requiring restructuring which would require innovative ways to re-design the jobs. There is a need to move from traditional job descriptions of employees to role profiling involving multitasking. In terms of skills and attitude based competencies, Banking Organizations need to identify new sets of competencies for their employees such as: system-wide understanding and ability to manage expanding geographical horizons; service orientated competencies like considerate, co-operative and kind-hearted nature; soft skills like teamwork, interpersonal relationship building and commitment to improve efficiency; and ability to function in ill-defined and changing environment. Human Resource Departments of Banking Organizations must ensure neither excess nor shortage of manpower; it calls for new ways of evolving suitable manpower models factoring in increasing use of technology in delivering Banking product portfolios.

Banks need to invest in professionals as they help Banking Organizations to set-up its business and expansion related strategies. HDFC
Bank has already undertaken effective steps, which include tying up with the premier institutes to fix up shortage of qualified professionals. It needs to be adopted by The Bank of Baroda to improve the effectiveness of the recruitment process in terms of the speed of filling the posts to avoid the situations of talent crunch, which is existing in these Banks. To overcome the talent crunch, Banks need to have a time frame of less than a year for forecasting Human Resource requirements.

The Human Resource Departments of Banks would require to invest in moving towards a culture of e-HRM. A detailed Study needs to be undertaken in this regard, which would be backed by top management of Banks and also supported by the Reserve Bank of India and the Ministry of Finance. When put in place, it will go a long way in greater accessibility of Human Resource Information, transparency, speed and cost reduction in operating the Human Resource Practices. Banks are going to be involved in increasing numbers of mergers and acquisitions in an emerging era of industry consolidation which would require matching and flexible Human Resource Strategies. To reduce employee turnover cost which is the highest in Private Sector Banks, the level of employee engagement starting from executives induction and down the line needs to be raised. Banks must use orientation for new hires as a chance to encourage employees engagement by explaining how they could contribute to the mission of the Banks. HDFC Bank can improve employee engagement index by seeking candidates from inside the organization for higher jobs. Banks top down autocratic orientation must change to functional orientation giving responsibility and power to their employees to make their jobs more interesting and challenging. Banks can undertake surveying employees opinions and attitudes from time to time to assess current levels of employees engagement and evolve suitable measures for its improvement.
Some of the ways in which operating manpower cost could be reduced are: identifying the scope for using alternatives to full-time permanent staff like part-time work, which helps to attain better utilization of resources and higher productivity on repetitive work because part-time workers could give more attention to their work during their shorter working hours in a day; job sharing allowing employees to share the workload of one full time position, resorting to time based remuneration; allowing work from home for teleworking jobs as it requires working for longer hours; and flexible hours in shift arrangements as it will help to reduce the overtime payments. Such practices are being beneficially employed in HSBC Bank and could be emulated by other Banks.

As Banking Industry has become globalized, it requires adding professionals with global perspective on matters like finance, technology, human resource, and customers services. Owing to the changing environment, Human Resource Departments must appropriately respond to equip people who could perform in the new environment. This is possible with the help of broad based training aimed at sharpening competencies to successfully operate in global business environment. While enriching the existing training programmes, Banks could resort to e-learning in a big way.

The Bank of Baroda have a well developed infrastructure for training. Banking Organizations need to promote e-learning as it is self-paced learning and learner-centric. This practice will help Banks to save administrative cost and allow learners to utilize their time appropriately. One of the most beneficial aspects of this practice is that it eliminates the travel costs, and disruption of work. Banks measure their training results with respect to the training hours or number of trainees per year, rather they need to measure training effectiveness in terms of improvements in the trainees performance, productivity, efficiency, quality of work, customer satisfaction etc. Apart
from training, Banks may encourage effective interaction with peers and mentors which also act as powerful ways of learning for employees. A well structured mentoring programme in Banks could be suggested as an important Human Resource Practice.

Systematic evaluation of employees performance on the job and providing them with regular and organized feedback is essential. Top management of Banks have to make it clear that appraisal is regarded as a vital means of achieving sustained organizational success. The goal setting approach to performance appraisal adopted by HDFC needs to be strengthened and emulated by others, particularly the Bank of Baroda. Employees also needed to be appraised on more relevant parameters like lost calls, closed accounts, bad debts, queuing time, clerical errors, projects completion and internal and external complaints. Such criteria may change employee attitude and behaviour by directly connecting the appraisal with corporate performance metrics. Attendance and boss obedience may rank lower to customer satisfaction.

Banks need to pay special attention to the feedback process. The feedback process needs to be based on more factual evidence rather than on generalized aspects. Managers need to give feedback as a description of what has happened and should not pass any judgments. To make the process of appraisal and feedback trouble-free, Banks could use software that enable their employees to access all the information about themselves. It will actually make the performance process transparent as it would allow employees to access details about themselves such as performance ratings, bonus schedule, targets and gaps in their work performance. Basically, these would help employees to see their strengths and weaknesses. Software tools will also help Banking Organizations to easily identify high potential employees in the organizations.
Career planning process need to be strengthened as it was revealed that there is great crunch of second line of leadership in the Public Sector Banks. Cross-functional career paths need to be made common to encourage retention of employees. A huge chunk of employees at middle levels feels stagnated. Therefore, avenues for promotion could be expanded by framing policy for inter-bank promotions and mobility. This is being adopted at present regarding top management promotions. For example, General Manager going as Executive Director and Executive Director moving up as Chief Managing Director in The Bank of Baroda as well as towards HDFC Bank.

Incentives and Performance related pay systems are not been practiced by The Bank of Baroda areas like deposit mobilization and loan recoveries. To implement such practices, modalities need to be evolved in consultation with Bank unions. The experience of HDFC Bank could act as a useful guide in this respect. The Bank of Baroda executives compensation packages need to be brought at-par with their counterparts in both Banks. The Bank of Baroda and HDFC Banks are paying higher compensation through bonuses and increments to their employees. These Banks also involve their employees for designing customized compensation packages which may also be adopted by The Bank of Baroda for top management positions. Reward structure also needs to have flexibility to deal with diversity in the Banking Organizations.

Banks need to widely adopt Human Resource outsourcing with management consultancies and other agencies for recruitment, training, health and safety services, employee counseling, payroll administration, legal advisory services and other miscellaneous activities such as transportation, catering, security etc. The Bank of Baroda need to pay greater attention to this as outsourcing will help to save cost, provide needful expertise, and allow Human Resource professionals to add value to their key tasks.
To promote ethical behaviour, Banks should make ethical behaviour as an essential component of the performance appraisal system. Banks need to arrange training programmes and workshops on ethical practices. Banks can develop reward system benefiting those who show praiseworthy behaviour and punishments for those found otherwise. This will establish commitment towards ethical behaviour. Besides the above suggestions, the following may also be pointed out in the context of Human Resource Strategy and its effective implementation.

Human Resource professionals need to build credibility. With the increasing uncertainty in the business, Banks are forced to take drastic decisions at short notice such as the rapid downsizing. Thus, Human Resource professionals require to be mentally prepared for all such possibilities and must be able to give a clear picture of change to the fellow employees, particularly to unions. In times of high uncertainties the space between management and employees must be quickly filled with the help of through-out communication exercise for each employee to explain them how their positions could be affected due to the change proposals. Banking Organizations, particularly Public Sector Banks, need to learn to prepare tight schedules for implementation of change programme. Time adherences could be attained by formal consultations with employees and representatives of unions. Further, Banks need to encourage their line managers to be more committed towards people management activities for the effective delivery of Human Resource Management Practices. Line managers should encourage teamwork at branch offices where the bulk of banking business is transacted in direct contact with customers. Banks can promote initiatives to involve their employees for community activities through Volunteering Programme. This will not only benefit Banks to enhance their image, but also motivate their employees.
There is a need to understand organization culture and the extent of emerging challenges impacting existing organizational cultures. Therefore, the need of the hour for Banking Industry is an integrated Human Resource approach that would develop an appropriate organization culture towards change with continuity. Another aspect is the gender mix in Banking Organizations, which is also changing with more women able to move in this career. HDFC Bank has taken visible initiatives to ensure equality of opportunity and family friendly policies. This needs to be resorted to by other Bank as well.

At times Human Resource Staff becomes the biggest obstacle to the implementation of Human Resource Strategy. The implementation requires the full involvement of the team members and their full acceptance. The Human Resource Management Team must clearly define vision and goals of the whole implementation process. The Human Resource Team needs to be considerate one to allow line management to accept them as their partners in their functions.

The Study focused on Human Resource aspects in The Bank of Baroda and HDFC Banking Organizations in a general manner. It would be worthwhile to conduct such a Study Bank-wise also. Empirical Studies, Bank-wise, may study the relationship between Strategic Human Resource Practices and Human Resource Outcomes, besides the Organizational Outcomes, so as to further enrich the literature on strategization of Human Resource Function in organizations in the emerging global environment.

MAJOR ISSUES AND FINDINGS

Human resource development is a social compulsion for the banking sector. For any organisation to be dynamic and growth oriented, its people must be dynamic and proactive. This can be achieved through HRD processes. Banks should ensure safe handling of finance and pave way for
nation's economy elevation. A bank's functions of late, have become more complex. The middle level supervisor is treated as a vital link in the organisation. He can be shaped through usage of management concept and exposure, HRD processes. Studies in this area are inadequate. The need of the hour is to get ride of the inefficiency, non-performing asset accumulation and operating bank with customer focus, free from misuse of funds and political interference or contaminations. This efficiency enhancement must start from all levels within a bank.

The significance of the human resource development concepts and practices is under estimated in any organisation. In the banking sector too this would be very useful as the best models are worth emulating the present success of existing big banks may be studied and an all-inclusive model is to be developed and all banks must transform to a change very quickly. Literature survey shows how banks can develop their professionalism by effective training methods, proper HRD issues handling and by adequate policy formulations reach the satisfactory climate creating condition. By RBI's observations and various research works we can infer there is a lot of scope for improvement in the banking business.

A research procedure to take into account the existing scenario, the layout of the various structures and choice of suitable sampling and statistical procedure is a must to proceed to probe into the activities of any banking organisations. Though we have many banks in India, a vast majority is still unavailable in states; we cannot say all the places are covered by banks. The different bank's middle level supervisory officer’s role is unique and 120 respondents were chosen on scientific procedures. The perception on selected 18 HRD variables, issues and Bank HRD climate when studied can bring out a valuable insight into the activities of banks.
The current banking climate is worth studying due to the complex changes that are taking place in it due to globalisation. There is a shift in the motto of banks from service to business and from assist to prove competent in financial problem solving. A climate appraisal reveals banks can no longer remain as building with people, but they should be building people to meet challenges too in the near future. The exposure to HRD culture and proactive attitudes of middle level supervisory officers reveal that they are aware of their role to perform and they do act well to meet the requirements. Human resource model designed by the researcher taking into account the various current happenings and facilitating everyone to perform better to support people always.

The missions highlights that bank can rescue people when they do not have money and they are also safeguard the people's money when they have it on surplus by hard work and business methods. The model aims at inculcating the spirit of HRD culture. As a result of constant practice will give a comprehensive attitudinal change as also organisational approval of the new culture at all levels. Though it is good to introduce 'change' in banking organisations, an enlightenment on the possible constraints and shortcomings of manpower and want of legal and administrative approval is a must.

Suitable suggestions to cross these constraints and hurdles can come in handy for the survival of the banks. Social institutions like banks, serving people can plan to make suitable policies on various HRD issues. This may be done by guiding the planners to adequately focus on HRD aspects which are very sensitive. The various analytical tools like correlation, factor analysis made on HRD issue and HRD climate has given salient features that are in existence. The Banking HRD climate is better and it shows there is scope for improvement. The aspects like promotion and training are having highest impact on the HRD climate.
Though the study included from different banks, all the banks are expressing a similar HRD climate and perception of the middle-level supervisory officers are also on par with others. Depending upon training, the perceptions differ. Attitudinal changes through participative management measures, career planning, and potential development after assessment should be programmed. Grievance redressal procedure important actions on erring officials need to be taken. The HRD model suggested in the light of present situations, will be an eye opener for all the banks to evolve suitable procedures and principles of efficiency standards. No more, a bank will be cursed by customers for inefficiency, if this model is adopted by banks.

The researcher had made the following suggestions based on the findings of the research study.

1. Top management should conduct more programmers on behavioral sciences as this will help to change the perception about training and development programmes amongst the bank staff belonging to 20-29, and 40-49 and 50-59 years of age groups. Moreover, trainers should convince the trainees about the aims and objectives of the programme.

2. Training colleges should be directed by the Human Resource Development department to conduct programmes on personality development, communication skills, and soft skills; as such programmes can help for the self-development of bank staff belonging to 20-29, 40-49 and 50-59 years of age groups.

3. Contents of the programmes should be carefully designed by the top management to include knowledge and skills related to the jobs, so that they can meet the higher expectations of the scale-III officers.

4. Human Resource Development department should incorporate behavioral sciences as component of programmes so as to change the perception about training and development programmes amongst the
bank staff working as assistants, senior assistants, special assistants, scale-II officers and scale-III officers.

5. Top management should give more importance to behavioural sciences as component of the training and development programmes in order to create higher impact on the behaviour of bank staff belonging to 20-29, 40-49 and 50-59 years of age groups.

6. Programmes should be related to the tasks or jobs to be performed by the bank staff belonging to 20-29, 40-49 and 50-59 years of age groups. Because this will help to create higher impact on the job performance of bank staff.

7. State Bank Learning Centers (SBLCs) should provide facilities like recreation facilities, latest books related to the banking industry in their centres.

8. Top management should give importance to behavioral sciences, psychology, and organizational behavior subjects as components of the training and development programmes, as this will result in higher impact on behavioral changes of assistants, senior assistants, special assistants, scale-II officers and scale-III officers.

9. Top management should make changes in training and development programmes so that knowledge, skills and attitude of the bank staff should change and result in higher impact on job performance of assistants, senior assistants, special assistants, scale-II officers and scale-III officers. Programmes should enable the staff to learn new competencies to match the new tasks to be performed by them.

10. Training colleges should provide necessary materials, printouts, compact disks, and programme details related to training and development programmes to the trainees before the commencement of the programmes. Moreover, trainees should be communicated at least one week before the programme. All these helps to increase the impact of training and development programmes on assistants, senior
assistants, special assistants, and scale-II and scale-III officers.

11. Components of the training and development programmes should also include programmes on soft skills, personality development, language skills, and analytical skills. All such programmes would certainly help for self development of assistants, senior assistants, special assistants, scale-II and scale-III officers.

12. Trainers should go for two-way communication effectively with trainees belonging to assistants, senior assistants, special assistants, scale-I officers and scale-II officers.

13. Top management should organize more programmes on behavioral sciences for bank staff belonging to assistant’s category so as to change their perception about training and development programmes.

14. Top management should regularly get feedback from the branch managers also about the impact of the training and development programmes on behavioral changes of assistant’s category.

15. Top management should make changes regularly in the components of training and development programmes viz; aims and objectives, knowledge, and skills to be learnt by trainees in order to meet the expectations of bank staff belongings to 0-9 years of service group.

16. Human Resource Development department should make behavioral science as a major component of training and development programmes in order to change the behavior of bank staff belonging to 0-9 and 20+ years of service group. This will help them to adjust with the changing banking environment.

17. Training and development programmes should become bridge between competencies, skills, knowledge of bank staff and competencies, skills and knowledge to be acquired by the staff during training and development programmes. This will certainly increase the job performance of bank staff belonging to 0-9 and 10-19 years of service groups.
18. Top management should also conduct programs on personality
development, analytical skills and language skills in order to help and
motivate for the self development of bank staff belonging to 0-9 and 20+
years of service groups.
19. Trainers should also use case study, seminars, group discussion method
more and also interact with trainees belonging to 0-9 and 10-19 years
of service groups.
20. Top management should give necessary instructions to the branch
managers to depute their subordinates to training and development
programmes. Bank staff can enhance their knowledge; improve skills
by attending more number of training and development programmes.
21. Top management should mould the components of training and
development programmes in terms of objectives, skills and knowledge
so as to meet the expectations of bank staff who have received one
promotion.
22. Pre-promotion training should be made compulsory for the entire bank
by the top management.
23. Top management should create a post of training and development
programmes evaluation manager at local head offices who will
continuously evaluate training and development programmes and gives
feedback to the top management.
24. Assistant category of bank staff should be given more importance and
care during training and development programmes. Because they
represent the bank to the customers.
25. Top management should organize programmes on stress and time
management especially for female bank staff.
26. Top management should provide necessary study leave for the bank
staff to pursue higher education as they are attritional assets of the
bank.
28. Top management should see that trained staffs are retained in the same jobs at least for 5 years in order to transfer the benefits of learning to the jobs.

29. Top management can make a better impact of training and development programmes on bank staff by inviting resource persons premier educational institutions.

30. Top management should conduct more programmes on stress management, yoga and time management in order to enjoy the jobs/tasks done by the bank staff. Because banking industry is undergoing sea changes and putting the staff always under pressure.

31. Top management should insist the training colleges to conduct more programmes on behavioral sciences, language skills, in order to make the bank staff more customers friendly.

32. Programmes like ‘Parivartan’ and ‘SBI Citizen’ should be conducted regularly to motivate the bank staff and also to improve their behaviour.

33. Before posting newly recruited bank staff should attending training and development programmes. This should be made compulsory by the HRD department so that trainees can learn about banking industry.

34. Top management should motivate bank staff including trainers to attend workshops, seminars, conferences relating to the banking industry. For this bank staff should be given on duty leave.

35. Top management should select the trainers based on competencies skills, attitudes, and experience rather than only on seniority basis.

36. Trainers should make the training and development programmes more enjoyable and also make learning as a continuous programme.

37. Top management should also design programmes like training for promotions which will also help for career development of bank staff.

38. Top management should consider trainers and trainees feedback about training and development programmes while formulating future programmes.
38. Special programmes on behavioral sciences should be conducted by the HRD department to change the behaviour of the bank staff to suit the culture of the banking industry.

39. Bank staffs who are attending more training and development programmes in a year, five years and ten years should be given award by the LHO.

40. Top management should also give ‘Best Trainee’ award at every training college levels so as to motivate other bank staff to attend more training and development programmes.