Chapter 1

Introduction And The Research Design
1.1 INTRODUCTION

"All activities of any enterprise are initiated and determined by the persons who make up that institution. Plants, Offices, Computers, Automated equipment and all else that a modern firm uses are unproductive except for human effort and direction. Human beings design or order the equipment; they decide where and how to use computers; they modernize the technology employed; they secure capital needed and decide the accounting and physical procedures to be used. Every aspect of a firm's activities is determined by the competence, motivation and general effectiveness of its human organization".1

'Human Resources' means "manpower or labour which an organization possesses"2 or the "people who are ready, willing and able to contribute to organizational goals".3

Human Resource Development is a continuous process to ensure the development of employee's dynamism, effectiveness, competencies, and motivation in a systematic and planned manner.4

Human Resource Development intrinsically recognizes that 'people' are the organization's singularly most important and valuable resource.5 Therefore they need to be developed in terms of their knowledge, skill and attitude for achieving their personal as well as organizational goals.6

Human Resource Development has a dual role. Firstly, to prepare individuals for the future job responsibilities, and secondly, to enable the organization to contend with employee obsolescence and turnover, workforce diversity as well as technological and social changes.7 The recent scenario of Economic Liberalization and the process of Globalization increased the importance of human resource development.8

1.2 BANKS AS SERVICE ORGANISATIONS

Banks are essentially the service giving organizations. Unlike the agricultural or industrial goods, a 'service' is intangible and perishable, in the
sense that neither the provider nor the consumer can store a service. This implies that the service provider not only has to produce the service, but also simultaneously transmit it to the consumer. Both of them thus are an integral part of the service production and delivery system. The four major characteristics ascribed to a ‘service’ are: (a) Intangibility (abstract) (b) Heterogeneity (non standard and highly variable) (c) Inseparability (simultaneous participation of producer and consumer in the process of production and consumption) and (d) Perishability (cannot be stored for future use).9

Banks of all kinds create and supply diverse financial services, from lending small loans to village artisans/craftsmen to effecting foreign exchange transfers internationally. They offer these services to people of all social and economic segments provide opportunities for socio-economic development and reduce socio-economic disparities. They enable the weaker sections of the society to have access to the benefits of modernization; and by providing common services such as saving accounts, term deposits, and fund transfers, they reduce geographical, social and physiological distances. Finally, banking services themselves have a human effect- first, by developing individuals and deprived groups, and secondly by gradually orienting societal culture towards an egalitarian, democratic vision.

NATIONALISED, SCHEDULED AND COOPERATIVE BANKS

The Indian Banking (Regulation) Act, 1949, defines the term ‘Banking’ as “accepting, for the purpose of lending or investment, deposits of money from public, repayable on demand or otherwise, and withdrawal by cheques, draft, order or otherwise” and a ‘Banking Company’ as “ any company that transacts the business of banking in India”

Nationalised banks are those former joint stock banking companies that were nationalized under the Banking Companies (Acquisition & Transfer of Undertaking) Act, 1969.
Scheduled banks are those joint stock banks that are included in Schedule-II of the Reserve Bank of India Act.

Cooperative Banks are the non-agricultural cooperative credit societies registered under the respective States' Cooperative Societies’ Acts. The Reserve Bank of India defines a ‘Cooperative Bank’ as the one, which has been organized for accepting deposits from the public and carrying on normal banking business.10

1.3 HRM AND HRD IN BANKS

HRM signifies a “systematic control over a network of inter-related processes affecting and involving the human resources of the organization”.11 In recent years, the environment in which banks operate has changed significantly on the introduction of new technologies, fierce competition, heightened expectations for more diverse and customized services and increased aspirations of banks’ human resources consequent to job specialization. The HRM in the banks has to necessarily take cognizance of this volatile environment, if the banks are to succeed.12 Hence, HRD, as a sub function of HRM, in the context of banks, is not only the imparting of new knowledge and skills to human resources, but also enabling with the capabilities to manage internal and external environment, attaining self confidence and motivation for public service.13

The change from ‘class-banking’ to ‘mass-banking’ after the 1969 nationalization of select banks created new goals for all the banks. The change, by corollary, also entailed changes in the role of employees. Eventually, banks realized the need for revitalizing and developing their employees to create a new work culture and a concern for customer service. Thus began in the banks the search for mechanisms for developing the human resources. Gradually, as these initiatives changed the personnel policies’ reactivity slant to discernible proactivity, HRD awareness in nationalized banks grew and many banks started HRD departments.14
1.4 STATEMENT OF THE PROBLEM

The term 'Development' in the expression Human Resource Development from the research point of view indicates the development of individual employees, the development of groups of employees in the organization's various sections/departments/divisions, and finally development of entire workforce comprising different groups working together to achieve the goals of the organization.\(^{15}\) Because the success of any organization in the long run very much depends on the quality of its human resources. This is especially true in a service-oriented industry like banking where improvements in service have to be continuously made to meet the rising expectations of the customers.\(^{16}\)

Specially, in socially interactive organizations like banks, applied research in HRD should focus attention on ascertaining the HRD environment [HRD environment may be defined as "a set of attributes possessed by an organization, as perceived by the individuals working in it, in relation to the satisfaction of their successively higher needs"]\(^{17}\), effectiveness of HRD practices and the factors that foster or hinder the HRD efforts. From a mere money lending institution, a bank is being called upon to play an effective role in the task of socio-economic development and the upliftment of especially those people, who were hitherto neglected and deprived. There are also high expectations of the society from the banking system thereby requiring the banks to have a hard look into their several areas of management to measure up to the tasks assigned to them.\(^{18}\)

Also changing macro economic conditions such as liberalization and globalization and increasing competition make it imperative to conduct such researches. New generation private sector banks are attracting skilled and experienced personnel from existing banking institutions by offering better working conditions and career growth and development. Therefore, the need of the hour is to study the deficiencies and suggest measures for improvements.
Despite several mechanical aids and gadgets available as facilitators for quick and efficient service, banking has remained an essentially peoples' business that is 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. Such researches would indeed offer certain clues for devising a comprehensive HRD framework, so that the organization may function proactively in the changing conditions. Hence, the present work has been titled as "A STUDY OF HUMAN RESOURCE DEVELOPMENT (HRD) IN NATIONALISED, SCHEDULED AND COOPERATIVE BANKS IN DHARWAD DISTRICT".

1.5 REVIEW OF LITERATURE

'Human Resources Development', as an organizational activity and a professional practice, was introduced for the first time in India in 1974 by a private sector corporate organization, Larsen & Toubro (L&T). In 1978, it was adopted by a public sector bank, Bank of Baroda (BoB), and in 1979, by State Bank of India (SBI).

Admittedly HRD had Western intellectual origins, and understandably in the initial years, Indian managers and management thinkers were apprehensive about adopting western HRD models and their feasibility in Indian social, economic, cultural and work environments. BoB, SBI and L&T experiments based on Western models could get underway because, to begin with, the high finance and high-technology functional areas, respectively, of these organizations, were based on Western organizational concepts. Indian business and industry managers closely watched these experiments.

Udai Pareek and T V Rao (1980) of the Indian Institute of Management, Ahemadabad (IIMA), published their path breaking work "Designing and Managing Human Resource System", proposing an HRD model based on the original Western concept but anchored in the Indian social and cultural values. The book indeed took away some of the Western aura around the HRD concept
and prepared the Indian management psyche to at least tentatively try out the ideas proposed in it. With this began an era of HRD experimentation in India. Enthused by the successes reported in BoB, SBI and L&T, increasing number of public and private sector organizations came forward to implement HRD programs. The year 1985 saw the establishment of an HRD National Network. In its annual conferences since then, academicians, consultants, HRD managers and senior line managers from Government institutions, public and private industries have presented numerous papers, covering empirical, theoretical and experience based materials. Academic and business press too responded favorably to the HRD spirit emerging in the country. The discussions of HRD concepts, roles, practice and mechanisms presented on their pages helped to create an awareness of the HRD among management students and scholars alike. Around this time, the Union Government also established an HRD Ministry.

The real fillip to the HRD movement, however, came quite unexpectedly. The process of liberalization of the Indian economy that had begun only gradually in 1980's suddenly turned into a torrent by the year 1991. With the opening of the economy to free market forces, captains of Indian manufacturing and service organizations realized that for staying competitive and viable in the globalizing markets, every resource, including the human resources, at their disposal was precious. In fact, premium shifted onto the human resources, because finance and technology could be secured easily than earlier, infrastructure could be raised faster than earlier, and markets were opening wider than earlier, but the people, to efficiently and effectively run the organizations still took certain time to train and develop.

Rao and Abraham have made a very educative and informative survey, of research in HRD. A framework for understanding and analyzing HRD mechanisms, processes and outcomes and their relationship with organizational effectiveness has been presented by them. 19 Though HRD departments have been started in many companies, HRD mechanisms and processes have been
initiated by them, and a lot is spoken about this field, still, research investigations and literature, are not abundantly available. As HRD itself is a recent phenomenon, it will take some time for such literature to be available. Many articles in the HRD News letter published by X L R I, Jemshedpur, newspapers, journals like Indian Journal of Training and Development, Productivity, Lok Udyog and Yojana, give a detailed account of experiences, of HRD managers in various companies, or persons connected with HRD. However, in view of the paucity of research studies, a number of such papers have been reviewed, to indicate present trends and future directions.

In India, as elsewhere, HRD continues to be a philosophy still in the process of evolution. The review in the present chapter, therefore, is mainly restricted to the literature only in respect of select HRD processes, namely, (1) HRD environment; (2) Training; (3) Performance Appraisal; (4) Career Planning and Development; (5) Employee Welfare and (6) Employee associations being researched under this work. Because, many academicians and scholars have covered more than one HRD process in their writings, the researcher had to separate and process specific comments and rearrange them for making a unified presentation. The exercise has led to unavoidable breaking up of a single original publication into several pieces at different places in the succeeding pages.

With this explanatory introduction, a concise literature review is being presented here below.

HRD Environment

The first topic in this review of literature pertains to the HRD environment, which is an integral part of the organizational environment (OE) or organizational climate (OC). Hellriegel and Slocum (1974) defines it as “a set of attributes which can be perceived about a particular organization and/or its sub systems, and that it may be influenced by the way that organization and/or its sub systems deal with their members and the environment”.
Udai Pareek and T V Rao maintain that HRD environment, being an integral part of the organizational environment, is particularly influenced by the OCTAPAC (Openness, Confrontation, Trust, Autonomy, Proaction, Authenticity and Collaboration) values. T.V. Rao elaborates that in an organizational setting OCTAPAC values become manifest through:

- Tendency at all levels, especially among the top managers/administrators to treat people as important resources;
- A perception that developing the latent competencies of the people in the organization is a part of every manager’s/supervisor’s job;
- A faith in the capability of people to change and acquire new competencies at any stage of life;
- A tendency to be open in communication;
- A tendency to encourage risk-taking and initiative;
- A tendency to help juniors and subordinates recognize their strengths and weaknesses;
- A tendency among the employees to help each other in initiating collaborative action;
- A tendency to discourage favoritism and biases;
- A general environment of trust;
- A general environment of team spirit;
- Supportive personnel policies;
- Development-oriented appraisals, training, rewards, job-rotation, career planning and potential appraisal.

Satyavrat Srivastava and Mohandas K Nair, in their article "Gaining employee loyalty" argue that from time to time, it is important to know the HRD environment in organization - what the people in the organization feel about the
existing culture in the organization and the efforts made by the management to improve it. Particularly, the HRD department should conduct periodic surveys to cover various areas of HRD practices. Such surveys would provide feedback as to whether the HRD environment is improving and would pinpoint the areas where more work is necessary to improve HRD and the organizational effectiveness.²³

K. Kumar, opens his article “HRD and the Indian Banking Scenario” by explaining that HRD is a corporate philosophy of an organization, about and in relation to its people, which is reflected in its policies, practices and decisions affecting the employees. HRD ethics thus places the individual at the center stage and helps him to attain ever-higher stature and through this exercise, the organization strives to attain its objectives.²⁴ Thus, the author has articulated the importance of individuals in the HRD practices.

E. Abraham, evaluated the HRD environment in 14 different public sector banks in 20 cities across the country by administering a 38-item HRD questionnaire to bank personnel. His findings were:

1. There is a wide gap between the beliefs of the top management and their practice with regard to human resource development. Although the beliefs and philosophy are of an ideal order, the practice of this fall way below expectations, in fact, it is alarmingly low.

2. Bank employees see rewards for good work and welfare as the ways by which the organization shows interest in them.

3. Promotions seem to be time bound and principally based on seniority; job rotation is considered as a good mechanism for employee development.

4. Experimentation and initiative taking seem to be an ‘alien’ practice in the banks. Since most jobs in banks are monotonous and of a routine type, experimentation is difficult to encourage; but initiative taking definitely is an area to be encouraged.
5. Banks have relied on training as the mechanism for HRD, but they should take a good look at their training systems and explore the possibilities of introducing other HRD mechanisms. 25

In conclusion, it can be observed that training, the most used HRD mechanism in banks needs to be evaluated frequently to verify its effectiveness and that the top management which believes in the HRD philosophy and its values should be given sufficient time to put them into practice.

HRD Practice of Training

Shobha Naik, in her article “Training as a Justified Cost”, states that in many organizations, training is basically seen as a cost item and not as a potent force. For the training to be effective, it must be geared to achieve better results through collaborative, interdependent teams, making people commit themselves to personal and organizational growth. Importantly, training must be a continuous process; a part of an organization’s larger strategy to build its people’s competence and morale.26

S.Srivastava and M.K.Nair, state that training is a very important activity in the HRD process. Training needs from various organizational functions have to be compiled and sorted out so that all general requirements are clubbed together and a common program evolved. They also advised that the faculty for training should be sourced from within the organization and put through a development program to improve their training skills and effectiveness.27 It is observed that help of external faculty should also be taken from specialised institutions for better implementation of training programs.

An attempt to study, whether the training activity in an organization, can be justified by its results or not, is made by Lynton and Pareek. Though the answer is “No” in most of the cases, the authors have studied the ways of improving it. They estimate the expenditure on all kinds of training, in India, at about 15-20 percent, of the outlay, under the 5-year plans. In their opinion, training must yield results, more or less commensurate with the expenditure,
resulting in more and better output of goods, services and satisfaction. Increase in effectiveness and reduction in cost, must be achieved, by individual training programs and training sessions.\textsuperscript{28}

M.P. Bansal, (1986) in his research study conducted in the steel plants of the Steel Authority of India (SAIL), reports that training was introduced as an important thrust area of HRD in SAIL’s plants. It was recognized that instead of merely imparting knowledge, training must play an effective and important role in helping to actually improve the performance of the employee on the job.\textsuperscript{29} But, it is important to see that skills acquired through training are put in to practice for which cooperation of superiors is necessary.

B.R. Shah, states that since shortage of the right type of people is likely to be a fact of life, the standards of internal training system will have to be moulded so as to enhance the promotability potential of an increasing number of people from within the organization. Since the pace of change in technology and consumer preferences will be more rapid, employees will have to keep learning newer and newer things to cope with the demands of change.\textsuperscript{30} But, some times it is better to go for open recruitment which will bring new enthusiasm and competition into the organisation.

Krishna Kumar Dua, states that through training, an organization helps its people to learn new skills so as to be able to perform well and improve morale and productivity. Nonetheless, training should be based on each individual’s real abilities and personality dynamics and must be geared towards an individual, as opposed to a commonly used collective approach. In his article the author has stated that ‘development through training’, is the individual’s responsibility. Organization plays a vital role in bringing in the realization for development and then providing opportunities for development.\textsuperscript{31} But it can be concluded that group training also has its own advantages as it helps in comparison and correction.
R K Jain advises that organizations can reduce their costs of investments in training by using computer based training programs. He advises that inspite of the usefulness of on the job training, as a whole, training periods should not be too long, except for initial and promotional training exercises. Training is a cost to the organization and hence, its direction and content must be carefully considered at the highest organizational levels. The author has stressed the importance of technology, duration of the training and the cost of training.

Vinod Gangotra, argues that the training would well be used for technical orientation and new recruit’s orientation with the organization. The intermediate goals of training could be helping the groups and individuals to work as a team, negotiating roles, managing role ambiguity and recognizing role boundaries. In the long run, having well trained teams would facilitate institution building.

Avinash Rege, systematic training is the ‘soul’ of HRD. Training methodology and content vary according to the level of the employee and the needs of the situation. Regular training exercises conducted within the organization for managers, supervisors and workers improve interpersonal relationships and mutual understanding, thereby helping to promote cordial relations. Here, the author has tried to bring out the importance of systematic approach to the training activity.

C. Mamutty, advises that to ensure that employees are eventually converted into an organization’s assets, focused and result oriented training programmes with direct linkages to skills, attitudes and knowledge upgradation need to be conducted. Humans are the only assets in the organization that appreciate, if they receive due attention by way of training and HRD intervention. Hence, any expenditure towards their up-gradation has to be treated as a necessary investment.

Taranpreet Gulati, comments that at present most of the training in different organizations is reactive. These organizations do sense that all is not well with the productivity of their employees. But their training exercises are
basically fire-fighting operations. This outlook has to be radically changed. Training should become a proactive and continuous process. Employees too should take training more seriously not as a paid vacation.36 Here the author has articulated the importance of being proactive in the matters of training process for an efficient and productive future.

U.B. Singh, reveals that in UPTRON, except for perfunctory on-the-job training, training as a management function is not paid due attention. Higher-level officers are given opportunities to improve their technical knowledge; otherwise, there is nothing by way of personnel development through training. It is, therefore, advisable that a proper training policy and regular periodic training exercises for both technical and non-technical people be introduced.  

HRD Practice of Performance Appraisal

B.R. Shah, States that in Lipton India, an annual appraisal system covers most employees and ensures that a record is maintained on their current performance. The appraisal system takes into account the individual’s potential to shoulder higher responsibility. The system also promotes healthy competition.38

Avinash Rege, states that performance appraisal is a technique to assess the work done by an individual or by a group in a particular period of time in terms quality, quantity, cost and time. It is a pointer to the achievements and shortfalls and helps to devise remedial measures. On the other hand, issues arising out of performance appraisal, if not resolved expeditiously, may change into problems.39 In this article the author has stressed the need for timeliness in the performance appraisal activity, so that it can be used for other functions such as in training, career development, promotions, etc.

N G Kannan, focuses on the methods and purposes of performance and potential appraisal. In any case, an ideal method for performance and potential appraisal should be based on the integrated assessment of all those who interact with the employee, in addition to his self-assessment.40 It can be concluded that
such a method would help in assessing critical attributes of employees, highlight strengths and weaknesses and areas of improvement.

S Srivstava and M K Nair, advise that appraising performance and potential is the line manager’s job, as he knows the best, the strengths, weaknesses, abilities to learn, etc., of the subordinates.\(^{41}\)

Ganesh Jejurikar, Points out the appraisals-performance and potential being an inescapable feature of the human resources development plan, employee can use the appraisal process to his advantage; to turn it into an opportunity to leverage his career and make himself an asset to the organization. Periodic performance appraisals of an employee are conducted at a fixed frequency once he is confirmed in the employment.\(^{42}\)

Sushil Bahl, views performance appraisal as a necessary step towards job satisfaction and career growth. An organization without proper appraisal system can be quite detrimental to career development of individuals, especially of those aspiring for higher positions in a short span of time.\(^{43}\) Here it is clearly shown that performance appraisal plays a very important role in career planning and development.

**HRD Practice of Career Planning and Development**

S.Srivastava and M.K.Nair, advise that the line manager should chalk out the career development plan of an individual, through training and on-the-job experience, job-rotation and job-enrichment. The manager should brief the individual on the learning to be obtained before the training program begins. After training, the individual should be debriefed to understand whether the learning had taken place, if opportunity was provided and support given to experiment the new learning obtained in the workplace.\(^{44}\)

K. Kumar, states that career planning firstly prepares the employee for accepting new challenges through exposure to multifarious operational fields and developing them for uncharted areas. Career planning is also equally critical for an individual employee as his personal development; economic gains and
social status depend on it. Alternatively, his success or failure also reflects on the organizational environment and its work culture.  

M.P. Bansal’s research study in SAIL reveals that, the promotion policy is used as an instrument for career planning and career development of individuals. The policy is based on performance appraisal and service seniority and also takes into account the personal aspirations for growth in relation to organization’s operational requirements. However, it can be pointed out that this policy is firmly rooted in the performance and potential appraisal (PPA), it also inherits the limitations of that system. Hence, it serves its purpose only up to a certain level of hierarchy, but fails to meet the requirements of systematic succession planning at higher levels.

**HRD Practice of Employee Welfare**

Although considerable conceptual and theoretical literature has appeared on the explicit link between the HRD effort and the employee compensation/welfare, no research work exclusively devoted to it was traceable. Foreign authors have mostly reported on certain innovative practices in this behalf in such large workforce organizations as General Electric, General Motors, Xerox, IBM, etc, while Indian researchers have made only cursory references to it. On the whole, the HRD process of employee compensation and welfare remains grossly neglected area from the research viewpoint.

N. Ramaswami, in his article titled “Appreciating Human Factor”, states that humans are the most important resource of an organization and the accounting process has to assess and record its value in terms of costs. The value of human assets increases through investment in training and welfare activities. Therefore, he proposes a model of ‘human resource audit’ taking into consideration the sums spent on these activities and the cost-benefits accrued to the organization in return. Such an audit would also help in determining whether the personnel and welfare activities of the organization are properly framed and implemented.
According to Avinash Rege, employee counseling is a very sensitive area of HRD. It affords an opportunity to the superior to give guidance and direction for change and improvement to the subordinate. It also plays a very important role in the maintenance of cordial workplace relations.

Sushil Bahl, argues that employee health promotion ought to form an integral element of the organizational strategy, because a healthy worker is a productive worker. Better employee health results in better work attitudes, higher morale and job satisfaction; thereby reduces absenteeism and employee turnover, besides providing a better work life and increasing productivity. Health promotion program does not merely mean reimbursement of medical bills but implementing activities determined by the specific health needs of the employees and by the organization’s expectations of its employees’ health.

Kamal Wadhwa, points out that organisations would have to radically change their personnel, promotion compensation policies for meeting the challenges arising out of dynamic forces of change. A close look at the relationship between employer and the employee would ensure that the organization’s structure and the compensation package recognize both the individual and the collective efforts of the employees. In fact, an organization can use compensation as a motivating factor for an individual to build his career. Here, it can be added that a compensation package should include both monetary and non monetary aspects.

K. Kumar, states that employee welfare entails graduated pay scales, retirement benefits, healthcare, concern for employee’s families and improving the quality of their social life. The welfare package should exhibit genuine financial and non-financial concern for employees and an attitude of mutuality and collaboration while delivering it.

C. Mamutty, states that improving the quality of work life would yield benefits such as improved intra/intercommunication, better employer-employee relations, increased employee involvement, skill development, job satisfaction,
career development, reduced stress, establishment of openness and trust, job security, autonomous work groups, diverse skills, self management and self direction with consequent optimization of the available personnel.52

1.6 OBJECTIVES OF THE STUDY

In view of the introductory remarks, foregoing discussions about the research topic and the study cosmos, the following have been set out as the objectives of the study.

1. To evaluate the Human Resource Development (HRD) environment in the Nationalized, Scheduled and Cooperative Banks in Dharwad District, the study area.

2. To evaluate the effectiveness of the HRD practices of (a) training, (b) performance appraisal, (c) career planning, and (d) employee welfare, adopted in the nationalized, scheduled, and cooperative banks in the study area.

3. To evaluate the role of the employee associations in the organization's HRD efforts in the nationalized, scheduled and cooperative banks in the study area.

1.7 NEED FOR THE STUDY

In the present society banks are functioning as agents of social change along with their role as harbinger of economic functions. From a mere money lending institution, a bank is being called upon to play an effective role in the task of socio-economic development and the upliftment of especially those people, who were hitherto neglected and deprived.

Also changing economic conditions such as open economy and increasing competition from private sector and multinational banks for skilled and experienced personnel makes it essential to conduct such researches. Therefore, the need of the hour is to study the deficiencies and suggest measures for improvements to withstand such competition.
Though there is automation and computerization, banks are still labour oriented, as they are service-providing institutions. In such organisations it is necessary to have an excellent HRD environment for efficient functioning of the organisation and achieve set goals of both the organisation and individual. Periodic studies would give an insight into the state of the matters and provides an opportunity to improve.

Also, there is a very great need for paying much more attention to the availability of trained and motivated people to achieve corporate goals and objectives. Such researches would indeed offer certain clues for devising a comprehensive HRD framework, so that the organization may function proactively in the changing conditions.

Along with the above mentioned factors it is vital for any organisation to get feedback about its policies and practices so that necessary changes can be made for the better of the organisation, the individuals in the organisation and the society as a whole. Hence, the present study attempts to provide such a feedback to the concerned organisation and thereby looks to contribute to the betterment of the concerned.

1.8 HYPOTHESES OF THE STUDY

Eleven hypotheses were formulated, as given below:

1. An 'Excellent' HRD environment prevails in the Nationalised banks, it is 'Good' in the Scheduled banks, but 'Fair' in the Cooperative banks.

2. An 'Excellent' HRD Environment prevails at the officer staff level; it is 'Good' at both the clerical and subordinate staff levels.

3. Employees of Nationalised banks carry a better opinion about the HRD practice of training than the employees of Scheduled and Co-operative banks.

4. Officer staff of the banks carries a better opinion about the HRD practice of training than clerical staff.
5. Employees of Nationalised banks carry a better opinion about the HRD practice of performance appraisal than the employees of Scheduled and Cooperative banks.

6. Officer staff of the banks carries a better opinion about the HRD practice of performance appraisal than the clerical and the subordinate staffs.

7. Employees of Nationalised banks carry a better opinion about the HRD practice of career planning and development than the employees of Scheduled and Cooperative banks.

8. Officer staff of banks carries a better opinion about the HRD practice of career planning and development than the clerical and subordinate staff.

9. Employees of Nationalised banks carry a better opinion about the HRD practice of employee welfare than the employees of Scheduled and Cooperative banks.

10. Officer staff of the banks carries a better opinion about the HRD practice of employee welfare than the clerical and subordinate staff.

11. The bank employee associations generally have a positive attitude towards the bank's HRD effort.

1.9 DHARWAD DISTRICT- THE STUDY AREA

The district of Dharwad is situated in the middle of Karnataka state. It is located between 15.15° and 15.35° North Latitude and 75.00° and 75.20° East Longitude covers an area of 4263 sq km. It is bound on the north by Belgaum district, on the west by Uttar Kannada district, on the east by Gadag district and in the south by Haveri district. The physical features of the district are of varied nature, consisting of plains, plateaus and hill ranges. For the purposes of administration, the district is divided into 5 talukas.

According to 2001 census the district has a population of 16,04,253 inhabiting in 2 cities and 373 villages. Sex ratio of the population is 949 females.
per 1000 males and the average literacy is 71.6% (male: 80.80%, female: 61.90%). The district is well serviced by a good network of intra and inter district roads and rail and is well connected to industrial-commercial centers like Bangalore, Pune, Mumbai, Goa, as well as other major cities in the state. Dharwad is the administrative head quarters of the district and Hubli is the commercial headquarter.

The Dharwad district has no major water resources, but the water requirements are met by a reservoir situated in Saudatti in Belgaum district (60kms). The district has a strong medium and small-scale industrial units dotting the landscape. Dharwad being the district head quarters is an education center with two universities and many other educational institutions.

Banking in Dharwad District: The Study Cosmos

Banking activities existed in Dharwad district since ancient times. As elsewhere here in this district also it was very common that private moneylenders, traders, merchants, landlords, village officers like Patil, Patel, etc had their own practice of money lending. In northern Karnataka area for the first time, public sector banking activities were started in Dharwad in 1863 by opening of a branch of the Bombay presidency bank founded in 1840. This made the beginning of organised modern banking industry in the district under the public sector. At the time of nationalisation (19th July1969) there were 59 commercial bank branches in the district. At the end of 2004-2005, the district-banking scenario was as follows;

<table>
<thead>
<tr>
<th>No of Banks</th>
<th>Type of Institution</th>
<th>Total Branches</th>
<th>Number of Branches</th>
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<tbody>
<tr>
<td>21</td>
<td>Nationalised Banks</td>
<td>118</td>
<td>17 11 90</td>
</tr>
<tr>
<td>10</td>
<td>Scheduled Banks</td>
<td>77</td>
<td>31 6 40</td>
</tr>
<tr>
<td>3</td>
<td>Co-operative Banks</td>
<td>20</td>
<td>03 08 09</td>
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<td>00 00 07</td>
</tr>
<tr>
<td>41</td>
<td>Total</td>
<td>222</td>
<td>51 25 146</td>
</tr>
</tbody>
</table>

Sources: District Credit Plan, Vijaya Bank (district lead bank): Office, Hubli.
As per the data furnished above it can be observed that the District has good Banking network with 222 branches with 51, 25 and 145 Rural, Semi-urban and urban branches respectively. There is one bank branch for every 7224 persons (As per 2001 Census). The new generation private sector banks have been left out from the present study, as there are only seven new generation banks in the district, which are situated in only in urban areas.

By adopting the RBI-recommended staffing pattern of 2 officers: 4 clerks: 2 subordinate staff, these 34 banks in their 215 branches had 651 (rounded off to 650) officers, 1453 (rounded off to 1450) clerks and 650 subordinate staff, that is, a 2754 (rounded off to 2750) strong workforce. Out of 2750, twenty per cent that is 550 employees were surveyed for the study.

1.10 METHODOLOGY ADOPTED

For accomplishing above objectives, both primary and secondary data were collected. For collecting primary data, Survey Method was used. Survey data was collected by administering two separate interview schedules (one for ascertaining the HRD environment and another for ascertaining the effectiveness of the select HRD practices) to three sets of respondents - Bank’s officer staff, clerical staff and the subordinate staff. The sample-respondents were selected by using Purposive Quota Accidental Sampling Method. Also, the Non-Participatory Observation Method was adopted for recording the researcher’s impressions about the various HRD practices in the banks in the study area. The necessary secondary data was collected through the Library Research Method.

1.10.1 SAMPLE DESIGN

In the Purposive Quota Accidental Sampling technique adopted for the present study, ‘Purposive’ means those staff members that belonged to a particular staff level; Quota’ means the predetermined sample size of 550 respondents, comprising sub-quotas of 130 officer staff, 290 clerical staff and 130 subordinate staff as shown below.
Table 1.2
Distribution of Sampled Bank Staff for the Study

<table>
<thead>
<tr>
<th>Bank Category</th>
<th>Officers</th>
<th>Clerks</th>
<th>Subordinate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nationalised Bank</td>
<td>70</td>
<td>160</td>
<td>70</td>
<td>300</td>
</tr>
<tr>
<td>Scheduled Bank</td>
<td>50</td>
<td>100</td>
<td>50</td>
<td>200</td>
</tr>
<tr>
<td>Cooperative Bank</td>
<td>10</td>
<td>30</td>
<td>10</td>
<td>50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>130</td>
<td>290</td>
<td>130</td>
<td>550</td>
</tr>
</tbody>
</table>

And 'Accidental' means that only those respondents who were willing to participate in the survey were administered the two interview schedules. The actual respondent staffs were selected by visiting the pre-identified urban and rural branches of all the three types of banks across Dharwad District.

1.10.2 DATA COLLECTION

Primary Sources

Three distinct sets of respondents - officer, clerical and subordinate staffs in the Nationalised, Scheduled and Cooperative banks- have rendered the primary data through two protested survey schedules.

Additional information of primary significance was collected from the archives of the banks, bank associations and the personal interviews with the bank's Human Resources executives. Observation method was used to gain first-hand insights in to the HRD practices in these banks.

Secondary Sources

The secondary data necessary for completing the investigation was collected mainly from the published sources in the academic libraries and archives of the banks. Further verbatim secondary data was collected to obtain the background material from the persons knowledgeable in the different aspects of research topic as also the academicians.
1.10.3 DATA ANALYSIS AND INTERPRETATION

The primary data collected from the three sets of the respondents was processed on a computer by developing application-specific software under expert supervision. The statistical findings derived from this exercise, juxtaposed against theoretical background, have been interpreted through an intellectual exercise for the purpose of drawing conclusions. Similarly, application specific computer software was used for word processing and graphical presentation.

The ‘HRD Environment Survey’ section of the structured interview schedule administered to the respondents contained a total of 35 questions touching on the various HRD environment dimensions. The respondents were asked to rate each question according to their level of agreement with it by using a Five-point Likert-type scale (1: Strongly Disagree, 2: Disagree, 3: Neither Disagree nor Agree, 4: Agree, 5: Strongly Agree).

After working out a Mean Score for each question, each mean score was converted into a percentile value, so as to obtain an easily comprehensible picture of the agreement level for the contents of that particular question among the respondents, at that particular staff level within that particular category of the bank.

Mean Scores and their percentile values were worked out by using the following procedure.

<table>
<thead>
<tr>
<th>Question</th>
<th>Level of Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you agree that, in this bank, employees do not carry prejudiced opinion about each other?</td>
<td>3 11 15 28 13 = 70 respondents</td>
</tr>
</tbody>
</table>

\[
\begin{align*}
\text{Total Score} &= 03 \times 1 + 22 \times 2 + 45 \times 3 + 112 \times 4 + 65 \times 5 = 237 \\
\text{Mean Score (MS)} &= \frac{237}{70} = 3.38
\end{align*}
\]

\[
\therefore 237 \text{ (total score) } / 70 \text{ (respondents) } = 3.38 \text{ Mean Score (MS)}
\]

\[
\Rightarrow \text{ If the Highest Possible Mean Score (MS) is } 5.00, \text{ percentile value is 100. If the Mean Score (MS) is } 3.38, \text{ percentile value is 67.60.}
\]
For interpreting the mean scores (together with their percentile values), an already developed Rating Scale (More, B. D., 1997) was used, according to which, mean scores Above '4' (80.01%) testify to an 'EXCELLENT' HRD environment. Mean scores between '4' and '3.5' (80.00 - 70.01%) connote 'GOOD' HRD environment and scores between '3.5' and '3' (70.00 - 60.01%) indicate a 'FAIR' HRD environment. Mean scores between '3' and '2.5' (60.00 - 50.00%) bespeak of a 'POOR' HRD environment and mean scores below '2.5' (50.00%) indicate a 'VERY POOR' HRD environment.

The HRD environment survey data has been tabulated separately for the nine groups of respondents, together with a comparative presentation of the mean scores/percentile values rendered against each question. The analysis/interpretation has been supported by graphs and charts, where justified.

Similarly, the 'HRD Practices' section of the structured interview schedule administered to the respondents contained a total of 85 questions touching on various dimensions of the selected HRD practices. As regards (1) Training (2) Performance appraisal (3) Career Planning and Development and (4) Employee Association, the respondents were asked to rate each question according to their level of agreement with it by using a Five-point Likert-type scale (1: Strongly Disagree, 2: Disagree, 3: Neither Disagree nor Agree, 4: Agree, 5: Strongly Agree). As regards (5) Employee Welfare, they were asked to rate each questions according to their level of satisfaction with the employee welfare measure facility or an aspect of their work life, family life and social life described in the question on a 5-point Likert type scale (1: Highly satisfied, 2: Dissatisfied, 3: Neither dissatisfied nor satisfied, 4: Satisfied, 5: Highly satisfied).

After working out a mean score for each question, each mean score was converted into a percentile value, so as to obtain an easily comprehensible picture of the agreement level for the contents of that particular question among the respondents, as a group, at that particular staff level within that particular category of the bank. The same procedure that was adopted for working out the
mean scores/percentile values and the corresponding ratings as regards the exploration of the HRD environment is used for this exercise also.

For testing the statistical validity of the hypotheses, Coefficient of Variation (C.V.) was measured. The necessary proofs have been provided in the Annexure attached to the relevant chapters.

1.11 SCOPE OF THE STUDY

The present work, in fact is an exploratory investigation in the on-going HRD efforts of the banks in the study area. Its geographical scope is confined to the boundaries of Dharwad District. The scope of the study topic covers the evaluation of the select HRD practices in the banks in the study area. The analytical scope is limited to the fulfillment of the objectives set out and testing of the hypotheses. The functional scope is confined to offering a set of meaningful suggestions for improving the HRD effort in the banks.

1.12 SIGNIFICANCE OF THE STUDY

In a fast developing country like India, banks have come to be deemed as an instrument of social change. Banks themselves have also realised the importance of their role as agents of social change and their human resources. Therefore, banks are expected to act in bringing about the desired social change. HRD as a formal organisational effort of the banks is receiving substantial attention both from the academic and in-house research. A review of the literature, however, revealed that there is a lack of research endeavor comparing the HRD practices in the banking sub sectors. The present work has attempted fill the vacuum.

1.13 LIMITATION OF THE STUDY

The present study is being conducted from the Human Resources Development point of view, which is a sub function of human resources management. Human Resources Management is a wide field and has numerous discrete functions. Therefore it is difficult to include all the Human Resources
Management functions in a single study. Hence, only the sub function of human resources management, that is, Human Resources Development is taken in the present study.

The study has also not covered all the cooperative banks in the study area, as most of the cooperative banks do not have a clear HRD policy or practices. Only those cooperative banks that are following a clear HRD policy and practices are covered in the study.

Similarly, the new generation private sector banks have been left out from the present study, as there are only seven new generation banks in the district, which are situated only in urban areas.

The study is conducted in mixed urban-rural setting where spatio-temporal perceptions differ greatly from those obtaining either in highly urbanized or in purely rural settings. The findings of the study, therefore, may have to be read against this backdrop.

1.14 CHAPTER SCHEME OF THE STUDY

The present study is divided into six chapters.

Chapter I

The first chapter, "Introduction and Research Design", provides a general introduction of the topic of study and the methodology employed to collect the data and to analyse them along with Scope of the study, Limitations of the study and Significance of the study.

Chapter II

The second chapter, "Ideational and Theoretical Framework" describes the Banking in India, Historic Background and Progress of HRD in India, Basic Concepts of HRD, OCTAPAC Values in HRD, HRD Environment, HRD Practices and Role of Employee Associations in HRD.
Chapter III

The third chapter, "Profile of Dharwad District and Its Banking" provides a birds’ eye view of the Banking Environment existing in Dharwad district.

Chapter IV


Chapter V


Chapter VI

The final chapter, "Conclusions and Suggestions" puts forth suggestions, based on the findings and conclusions of the research, for future improvement in the HRD practices and efficient and effective use and development of Human Resources.
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