Chapter–VI

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION
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The present study was accomplished in three stages. First, the view of the employees in commercial banks on the level of the existence of the HRD systems in the commercial banks focused. It is followed by the discussion on antecedents of the HRD, factors leading to the successful implementation of the HRD, rate of implementation of the various types of HRD practices and also the constraints to implement the HRD at banks. At the final stage, the various outcomes of HRD practices in commercial banks, the linkage between the implementation of various HRD practices on various outcomes and the impact of constraints on the implementation of HRD practices were focused. The results of the analysis were presented and discussed in earlier chapters. The summary of the findings and the conclusion are covered in this chapter to draw specific inferences and policy implications.

To start with, the profiles of the employees and banks were reviewed to set the background for the study. The specific objectives of this study were: (1) to exhibit the profile of the banks in the study area; ii) to analyse the existence of the HRD sub-system in the commercial banks; iii) to examine the antecedents and the critical factors leading to the successful implementation of the HRD in the commercial banks; (iv) to examine the rate of implementation of various types of HRD practices in the commercial banks and also the constraints to implement them; v) to measure the various outcome of HRD practices in commercial banks and vi) to evaluate the linkage between implementation of HRD practices and its various outcomes in commercial banks.

The concepts and the methodology were formulated according to the objectives of the study with the help of comprehensive review of the previous studies. The secondary data about the commercial banks were collected from the annual credit plan. To collect the primary data, the interview schedule was prepared with the help of the previous studies and the opinion of the experts. The interview schedule were pre-tested among 50
bank employees in Madurai City. Based on the feedback, the final draft interview schedule was prepared after certain modifications, corrections and deletions.

The sample size was determined by the formula of \[ n = \left[ \frac{Z\sigma}{D} \right]^2 \]. The sample size of employees came to 574 employees. In total, there are 287 bank branches in the study area. From each bank branch one manager and one staff were selected purposively for the study. Hence, the applied sampling procedure of the study is purposive sampling.

The collected data were analysed with the help of appropriate statistical tools to fulfill the objectives of the research. The various findings of the present study are summarized below:

The important nature of bank in the study area is public sector banks since it constitutes 74.56 per cent of the total. The dominant years of experience among the banks is 10.01 to 15 and 15.01 to 20 years. The most important years of establishment in private and public sector banks is 10.01 to 15 years. The important nature of modernization at banks is fully modernized.

The dominant number of departments at the banks is 6 to 8 and above 8 departments. The number of departments in private sector banks is higher than in public sector banks. The dominant number of employee per branch is 8 to 10 and 5 to 7 employees per bank. The number of employees per branch is higher in public sector banks than in private sector banks.

The important number of customers per branch in the study area are 751 to 1000 and 500 to 750. The most important number of customers per branch are private and public sector banks is above 1000. The turnover in public sector hands is higher than the monthly turnover in private sector banks.

The nature of autonomy given to the manager in the private sector banks is higher than in public sector banks. The important decision maker in the bank is general manager and the branch manager. The important location of the bank is urban area for both private and public sector banks.
The important nature of system development at banks is very strong which is commonly seen at private and public sector banks. The nature of return on capital employed in private sector banks is higher than in public sector banks.

Regarding the existence of sub-system of the HRD, the highly viewed variables related to the development sub-system in the private sector banks is feedback and counselling sessions. In the public sector banks, it is adequate time and infrastructural facilities to the feedback system. Regarding the level of existence of variables related to the development sub-system, the significant difference among the two groups of banks have been noticed in the case of 18 variables out of 26 variables in development sub-system at banks.

The important components of development sub-system narrated by the Exploratory Factor Analysis is training, special development activities, job rotation and programme and counselling. The included variables in important components development sub-system explain it to a reliable extent. The highly viewed component in the private sector banks is training whereas in the public sector banks, among the lesser experienced employees, it is ‘programme and counselling’. Regarding the perception on the existence of important components of development sub-system, the significant difference among the two groups of banks has been noticed in the case of training and special development activities.

Regarding the existence of the career sub-system in the commercial banks, the highly viewed variables related to this system in the private sector banks is ‘well laid out career path’ whereas in public sector banks, it is ‘subjectivity level of assessment’. Regarding the existence of variables, the significant difference among the two groups of banks have been noticed in the case of 12 variables out of 20 variables related to the career sub-system in HRD in the commercial banks.

The important components of the career sub-system identified by the EFA are ‘career planning’, ‘man power planning’ and ‘potential appraisal’. The highly existing important components in the private and public sector banks is ‘career planning’. 
Regarding the level of existence of the important components of career sub-system there is significant differences among the two groups of banks have been identified in the case of man power planning and potential appraisal.

The highly existing variable related to the work planning sub-system at the private sector banks is ‘direction by seniors to juniors’ whereas in the public sector banks, it is ‘mechanisms of sharing performance expectation’. Regarding the level of existence of variables related to work planning sub-system in HRD, there is significant difference among the two groups of banks have been identified in the case of 14 variables out of 16 variables.

The important components of the work planning sub-system identified by the EFA are ‘role assigning system’, ‘communication system’ and ‘performance appraisal system’. The included variables in each component explain it to a reliable extent. The highly existing important component, in private sector banks is ‘communication system’ whereas in the public sector banks, it is ‘performance appraisal system’. Regarding the level of existence of important components of the work planning sub-system, the significant difference among the two groups of banks have been identified in existence of all three important components of the work planning sub-system in HRD.

Regarding the existence of variables in self-renewal sub-system, the highly existing variables in the self renewal system at the private sector banks is ‘the scope for action research’ whereas in the public sector banks, it is also the ‘scope for action research’. Regarding the level of existence of variables in the self-renewal sub-system at the commercial banks, the significant difference among the two group of banks have been noticed in the case of ‘role- efficacy programmes’, ‘research orientation’, ‘undertaking of organization development exercises’ and ‘adequate decentralization and delegation’.

The important components in the self-renewal sub-system identified by the EFA is ‘role efficacy’, ‘organization development’ and ‘action orientation’. The highly existing components at the private sector banks is ‘Role efficacy’ whereas at the public sector banks, it is ‘action orientation’. Regarding the level of existence of important
components, there is significant difference among the two groups of banks has been identified in the existence of ‘role efficacy’.

Regarding the existence of variables related to the culture sub-system, the highly existing variables in private sector banks are ‘autonomy’ and ‘a tendency to discourage favouritism’. At the public sector banks, it is ‘trust and existence of values’. Regarding the existence of variables, there is significant differences among the two groups of banks have been identified in the case of 26 variables out of 40 variables.

The important components of the culture sub-system identified by the factor analysis is human resource development, values, quality orientation, recognition, communication and empowerment. The variables in each component explain it to a reliable extent. The highly existing components at private sector banks are human resource development and empowerment whereas at the public sector banks, it is values and empowerment. Regarding the level of the existence of the important components of the culture subsystem, there is significant differences among the two groups of banks have been identified in the case of ‘human resource development’, ‘quality orientation’, ‘recognition and communication’.

The highly existing HRD subsystems in the private sector banks is culture and development whereas in the public sector banks, it is also the same but the rate of existence of HRD sub-systems in private sector banks is higher than the rate of existence of subsystems in HRD in public sector banks. The level of existence of sub-system in HRD at private sector banks is higher than the level of existence of sub-system in HRD in public sector banks.

The significantly associating profile variables with the perception on the existence of the sub-systems in the commercial banks are decision maker, location of branch, nature of return on capital employed, nature of autonomy, nature of modernization and number of departments in banks. There is a significant difference among the employees regarding their perception on the level of the existence of the HRD sub-systems when they are classified on the basis of the above said profiles.
The highly viewed antecedents of the HRD in the commercial banks especially private sector banks are ‘understanding and acceptance of one’s roles’ and ‘effective communication skills’. In the public sector banks these are ‘blame free-culture’ and ‘openness’. Regarding the view on the antecedents of the HRD at the commercial banks, there is significant difference among the two groups of banks have been noticed in the case of 14 out of 16 antecedents of the HRD in commercial banks.

The important antecedents of the HRD in commercial banks narrated by the factor analysis are organizational and personal factors. The highly perceived factor in the private sector banks is ‘personal factor’ whereas in the public sector banks, it is ‘organisational’ factor. Regarding the perception on the important antecedents of the HRD, there is significant differences among the two groups of banks have been noticed in the case of both the organizational and the personal factors. The highly associating profile variables with the perception on the antecedents of the HRD are the ‘nature of modernization, number of departments, location of branch and nature of system’ at the banks.

According to the employees in private sector banks, the important variables influencing the successful implementation of the HRD is character, habits and self-confidence. In the case of public sector banks, these are self confidence, goals and self image. Regarding the perception on the variables influencing the success of the HRD at the commercial banks, there is significant differences among the two groups of banks have been noticed in the case of innovation/creativity, knowledge/skills, control, enthusiasm, habits, personal preferences, experience and character.

The important factors leading to the successful implementation of the HRD in the commercial banks narrated by the factor analysis are personality, work preferences, life goal plan, role clarity, motivation and abilities. The highly viewed factors among the employees in private sector banks is ‘motivation and personality’ whereas among the employees in public sector banks, it is ‘motivation and work preferences’. Regarding the perception on the factors leading to the successful implementation of the HRD at the commercial banks, there is no significant difference among the two groups of banks. The
important profile variables associating with the perception on the factors leading to the successful implementation of the HRD are nature of modernization, number of departments nature of autonomy, location of branch, and nature of system at banks.

The highly implemented GHRD practices at the commercial banks as per the view of employees in private sector banks are openness, risk-taking and authenticity. As per the view of the employees in public sector banks, also these are the same. Regarding the perception on the implementation of the GHRD practices at the commercial banks, there is significant differences among the two groups of banks have been noticed in the case of 21 practices out 30 GHRD practices.

The important GHRD practices implemented at the commercial banks identified by the factor analysis are orientation, system, top management support, climate, programmes, style of management and motivation. The highly implemented GHRD practices as per the view of employees in private sector banks are climate and style of management whereas as per the view of employees in public sector banks, these are orientation and climate. Regarding the rate of the implementation of the important GHRD practices, the significant differences among the two groups of banks have been noticed in all the seven important GHRD practices.

The highly associating profile variables with the rate of implementation of the GHRD practices at the commercial banks are years of establishment, number of departments, decision maker, location of branch and nature of return of capital employed. The rate of implementation of the important GHRD practices at the private sector banks is higher than in public sector banks. The important discriminant GHRD practices among the private and public sector banks are the level of implementation of climate and motivational practices. The overall rate of implementation of the GHRD practices in the private sector banks are higher than public sector banks.

The existence of critical HRD in the commercial banks are studied with the help of eight variables. The highly existing variables in CHRD in private sector banks are awareness of the attributes of CHRD and recognition of the boundaries of ones
profession. In the case of public sector banks, they are understanding and acceptance of one’s role and recognition of boundaries of one’s profession. Regarding the existence of variables in CHRD, there is a significant difference among the private and public sector banks have been noticed in all eight variables. The included variables in CHRD explain it to a reliable extent. The level of existence of CHRD is higher in private sector banks than in public sector banks.

The existence of strategic HRD at commercial banks is examined with the help of 10 variables. The highly existing variable in SHRD at private sector banks is shared interpretation and expanded trainer role whereas at the public sector banks, these are expanded trainer role and top management support. Regarding the existence of variables in SHRD, there is a significant difference among the private and public sector banks have been noticed in the all ten variables in SHRD. The level of existence of SHRD at private sector banks is higher than the public sector banks.

The highly existing HRD practices at the private sector banks are strategic and critical HRD practices whereas at the public sector banks, these are strategic and general HRD practices. Regarding the existence of HRD practices, there is a significant difference among the private and public sector banks have been noticed in all three types of HRD practices. The significantly associating important profile of banks regarding the implementation of HRD practices are years of establishment, monthly turnover, decision maker, nature of system and nature of return on capital employed at banks. The important discriminant HRD practices among the private and public sector banks is critical and strategic HRD which are higher at private sector banks than in public sector banks.

The highly perceived constraints to implement the HRD practices in commercial banks especially in private sector banks are trade union attitudes and heavy workload which never allow time for development. In the public sector banks these are trade union attitudes and the government policies. Regarding the view on the constraints to implement the HRD, there is significant differences among the two groups of banks have been noticed in the case of seven constraints out of 20 constraints.
The important constraints narrated by the factor analysis are employee inadequacy, organizational culture, polices and management commitment. The highly viewed constraints among the experienced employees in private sector banks are policies and organizational culture whereas among the employees in public sector banks, it is polices and management commitment. Regarding the perception on the important constraints, there is significant differences among the two groups of banks have been identified in the case of management commitment. The significantly associating profile variables with the perception on the important constraints to implement the HRD are personal income, family income per month and age of the employees.

The highly viewed variable in general outcome of HRD at private and public sector banks is individual productivity and participation. Regarding the level of variables in general outcome, there is significant difference among the private and public sector banks have been noticed in all ten variables. The included 10 variables in general outcome explain it to a reliable extent. The level of general outcome of GHRD practices are higher in private sector banks than in public sector banks.

The highly viewed variable in organisational values in private and public sector banks are delegation and decentralization, and human treatment respectively. Regarding the level of variables in organisational values, there is a significant difference among the private and public sector banks have been noticed in six out of eight variables. The level of organisational values in private sector banks is higher than in public sector banks.

The highly viewed variable in organisational climate in private and public sector banks are integration and autonomy respectively. Regarding the level of variables in organisational climate, there is significant difference among the private and public sector banks have been noticed in the case of 11 out of 14 variables. The confirmatory factor analysis accept only 10 variables in organisational climate. The level of organisational climate in private sector banks is higher than in public sector banks.

The highly viewed variable in internal service quality in private and public sector banks is promptness of service and individualized service respectively. Regarding the
level of variables in ISQ, there is significant difference among the private and public sector banks have been noticed in the case of all ten variables in it. The confirmatory factor analysis accepts only seven variables. The level of ISQ in private sector banks is higher than the level of ISQ in public sector banks.

The highly viewed variable in work performance in private and public sector banks is ‘able to complete my work in time’. Regarding the level of variables in work performance, there is a significant difference among the private and public sector banks have been noticed in the case of all six variables. The confirmatory factor analysis accepts only five variables. The level of work performance in private sector banks is higher than in public sector banks.

The highly viewed variable in organisational productivity in private and public sector banks is innovative services and competitive advantage respectively. Regarding the level of variables in organisational productivity, there is a significant difference among the private and public sector banks have been noticed in the case of all seven variables in it. The confirmatory factor analysis accepts only six variables in organisational productivity. The level of organisational productivity is higher in private sector banks than in public sector banks.

The highly existing outcome of HRD practices at private sector banks are internal service quality and organisational productivity whereas in the case of public sector banks, these two are internal service quality and organisational productivity. Regarding the level of outcome of HRD practices, there is a significant difference among the private and public sector banks have been noticed in the case of organisational values, internal service quality, work performance and organisational productivity.

The significantly associating important profile variables with the view on various outcome of HRD practices are years of establishment, nature of modernization, nature of autonomy, location of branch and system development. The important discriminant outcome of HRD practices at private and public sector banks are work performance and
organisational productivity which are higher in private sector banks than in public sector banks.

The significantly influencing HRD practices on the general outcome of HRD practices at private sector banks are top management support, climate, programmes, style of management and motivation whereas at public sector banks, these are programmes and motivation. The level of impact of HRD practices on the general outcome of HRD practices are higher at private sector banks than at public sector banks.

In the private sector banks, the significantly influencing HRD practices on the organisational values are orientation, system, top management support and motivation whereas at the public sector banks, this is only motivation. The rate of impact of HRD practices on the organisational values are higher at private sector banks than at public sector banks. The most important HRD practice which influence the organisational values is motivation.

The significantly influencing HRD practices on the organisational climate at private sector banks are orientation, system, climate and motivation whereas at public sector banks, these are orientation, climate and motivation. The rate of impact of HRD practices on the organisational climate at private sector banks is higher than at public sector banks. The most important HRD practice influence on organisational climate is climate.

The significantly influencing HRD practices on the internal service quality at private sector banks are orientation, system, programmes, and motivation whereas at public sector banks, these are orientation and motivation. The rate of impact of HRD practices on the internal service quality are higher at private sector banks than at public sector banks. The most important HRD practices on internal service quality is orientation.

The significantly influencing GHRD practices on work performance at private sector banks are orientation, top management support and motivation whereas at public sector banks, these are orientation and motivation. The rate of impact of HRD practices on organisational productivity is higher at private sector banks that at public sector banks.
The most important GHRD practice on organisational productivity of commercial banks is orientation.

In the private and public sector banks, all the three types of HRD practices have a significant and positive impact on organisational productivity. The highly influencing HRD practices are critical HRD and strategic HRD.

The significantly affecting constraints to implement the GHRD practices at private sector banks is employee and policies whereas in public sector banks, these are employee, inadequacy, organisational culture and management commitment. The rate of influence of constraints on the rate of implementation of HRD practices at public sector banks is higher than at private sector banks. The most important constraint to implement the HRD practices at commercial banks is employee.

The significantly affecting constraints on the implementation of critical HRD at private sector banks are employee and organisational culture whereas at the public sector banks, these are employee, organisational culture and management commitment. The rate of influence of constraints on the implementation of GHRD at public sector banks are higher than the private sector banks.

In the case of private sector banks, the significantly affecting important constraints on the implementation of strategic HRD at banks are employee and organisational climate whereas at the public sector banks, these are employee, organisational culture and management commitment. The higher impact of constraints on the rate of implementation of SHRD is seen at the public sector banks than at private sector banks.

CONCLUDING REMARKS

The existence of the HRD system at the commercial banks are at the moderate level. The rate of the implementation of the HRD practices in the public sector banks are poor to moderate whereas it is higher at private sector banks. At the same time, the view on the constraints to implement the HRD practices at the public sector banks are higher than at the private sector banks. The rate of implementation of general, critical and
strategic HRD practices are higher at public sector banks than at private sector banks. The important constraints are poor organisational culture and lack of management commitment.

The outcome of HRD practices are higher in private sector banks than in public sector banks. The significantly influencing HRD practices on the outcome of the HRD practices at commercial banks are critical and strategic HRD practices. The significantly affecting constraints on the implementation of HRD practices at commercial banks are employee related constraints and organisational culture. The study conclude that the commercial banks especially public sector banks are very weak in the implementation of HRD at the banks which are highly essential for the organisational performance. If the banks are willing to compete in the globalised era, they should understand and implement the appropriate HRD practices at their banks.

SUGGESTIONS

Based on the findings of the study, the following policy implications are drawn.

1. Human Capital and HRD at Commercial Banks

This study emphasizes the importance of implementing progressive HRD practices and improving the work environment with team spirit among the commercial banks employees. The banks should provide enough budget for the allocation on the various programmes for their human resource development. At the same time, the banks should establish some system to monitor the activities done by the HRD department and its impact on their human resources. The immediate feedback will rectify the mistakes immediately and also enrich the programmes to the maximum level.

2. Motivational Measures and Top Management Support

Since the professional growth and the career development opportunities in the employment are too restricted and the commitment of the employees has been affected to a greater extent. The young and experienced employees are perceiving lesser on the existence of motivational measures and also top management support. They also feel
very bad about the organizational climate at the commercial banks especially public sector banks, which affect their service offered to the customers. The banks should establish a separate system to observe the needs of the employees regarding their professional and career growth. If the system provides assurance to the employees for their professional and career growth, the employees will render better service to their customers to their fullest satisfaction.

3. Performance based Compensation Policies

Employees in banking industry perceived that there is no existence of well established reward policies. The employees feel that they are not properly rewarded. Hence they search some other private services apart from the government services. The private practices among the employees affects their productivity in the public services. The government should understand the fact and establish a separate system to review the salary structure of the employees. The system should recognize the services offered by the employees in banking industry and formulate a suitable salary structure to them in order to avoid the dissatisfaction on reward policies.

4. Structural Changes in HRD Policy

The progressive administrative and HRD policy and practices will be successfully implemented only when proper enabling structural arrangements are put in place. The focused group discussions reveal that the current structural rigidities in banking sector are an impediment to implement the reform process. This emerged from the qualitative study and the discussions researchers had with officials at various levels. Based on the findings of the study, following structural design elements need immediate attention of the policy makers.

(i) The roles and responsibilities should be carefully designed and informed to the employees. As the employees at various levels perform different levels of the activities, there should be a well defined system for regulating and monitoring, provision of health care services.
(ii) The rigidity of present structure leads to a lot of confusion in co-ordination and communication between the various levels of organization. Hence, the infrastructure is to be properly fragmented. Each fragmentation should be properly informed about their duties and responsibilities among the employees. There should be a proper co-ordination system to integrate various fragmentations.

(iii) Since the centralized decision-making over a period of time has seriously affected the creativity and commitment among the employees, the system should be properly restructured and redesigned in order to make an immediate action according to local needs of employees.

5. Referral Linkage

The networking, collaborations and referral linkages are critical in effective banking system. The key to this lies in two factors. “One is the policy and physical infrastructure (physical capacity) and the second is the management capacity to develop collaborations, and implement the referrals. The latter will also include referring to the ability of employees to diagnose a need for their customers and deliver the right service at right time at right price. There is a significant tendency to spend significant efforts in information seeking, information screening and its careful dissemination. Hence, the willingness to implement these depends on the confidence and trust in the relationship between the service providers in the network than on the referral linkages.

6. Autonomy in Commercial Banks

The bankers should provide some autonomy to the department to enrich their own resources and utilization of human resources. Each department should have autonomy to evaluate the performance of their employees and design the required programmes to enrich their knowledge and services. This type of autonomy may enrich the working of the HRD sub-systems at the commercial banks and also the service orientation among the employees. The autonomy of the department correctly identifies the need of the
employees and also the required HRD practices to develop the competency of the employees also.

7. Strengthening Participative Management in Banking

The rate of implementation of the HRD practices at the commercial banks is affected by the poor management commitment and less top management support. This may be caused by the centralization of the management of banking facilities at the state level. Hence it is advised to decentralize the management system at the regional (district-level) level. Then only the management system can review the need of their employees and customers, and they can formulate appropriate policy according to their needs. The speedy action and the communication are also possible when there is a decentralization in the management of the banking system. The employees may be allowed to think at global level but they can be encouraged to act for the local needs.

8. Skill Development Programmes in Banking

The commitment, competencies and skill of the employees in the banking system have significant implications for any sector reform process. This study suggests that although Tamilnadu has invested in a large way to its banking system development, the sector faces a number of challenges to ensure the professional and the organizational commitment of the employees. Meeting the needs of the population goes beyond the budget allocations. The banks have to invest in developing the leadership quality, the supervision skills, and developing autonomy in its banking institutions.

9. Internal Service Quality among the Employees

Since the study identified a significant impact of the HRD practices at the commercial banks on various outcome, it is essential to examine the need of customer orientation among the employees. The banks have to formulate the HRD practices which are highly customer oriented. All the HRD practices not only enrich the quality of the employees and their work life but also their service orientation and customer orientation. Then only they can satisfy their customers at the fullest level. In the globalised world, the customer satisfaction is emerging as an important objective of any organization, and the
commercial banks are not an exception to this. Hence, the HRD practices should be based on the service and customer orientation among the customers.

10. Focus on Organisational Culture

The implementation of HRD practices should focus on the improvement of organisational culture at the commercial banks. For that purpose, the banks should establish an optional cultural sub system in. That system should be modified and enriched according to the need of the employees and the customers in banking industries at the globalised era.

DIRECTION FOR FUTURE RESEARCH

The present study has made an attempt to analyse the employees’ perception of the HRD systems and the practices in the commercial banks and its outcome at banks. The future study may be extended the implementation of HRD practices at all commercial banks in Tamilnadu. This study acts as a base for any further research which links the human resource management and the services marketing. The present study confines its scope to the public and private commercial banks, the future studies may be extended to the foreign banks. There may be a separate study on the constraints in the implementation of HRD practices at commercial banks. The present study may act as a base for the development of the new HRD models which are highly customer oriented in future. This type of study may be extended to other service industries in future. The mediator role of HRD practices in between the HRM practices and the organisational effectiveness may be studied with the help of structural equation modeling. The linkage between HRP and organisational learning HRD and emotional intelligence, HRD and organisational performance may be studied in near future.