Chapter-I

INTRODUCTION AND DESIGN OF THE STUDY
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INTRODUCTION

Human resource development is a process of developing and/or unleashing expertise through organization development (OD) and personnel training and development for the purpose of improving performance (Swanson, 2001). HRD is based on the beliefs that organizations are human-made entities that rely on human expertise in order to establish and achieve their goals and that HRD professionals are advocates of individuals and group, work processes and organizational integrity. Several models of HRD specify a range of practices which, if pursued, are likely to contribute to human capital accumulation on which organization may build its competitive advantages (Currie, 1998; Willis, 1997). These models basically advocate that investment in HRD by organizations which contribute to organizational and individual performances such as high performance (Sandberg, 2000), high quality of individual and organizational problem solving (Schroder, 1989), higher organizational commitment (Illes, et al., 1990),

5. Schroder, H.M., (1989), Managerial Competencies: The key to excellence, Kendall-Hunt, Duqueque, IA.
and enhanced organizational retention (Robertson et al., 1991)\textsuperscript{7}. Ahmad and Raida (2003\textsuperscript{8}) examined the association between training and organizational commitment among white collar workers in Malaysia and they reported that the availability and support for training, training environment etc. positively contributed to overall commitment scores.

HRD function is different from personnel/HRM functions. Rao (2007\textsuperscript{9}) outlines the following roles of an HRD manager:

- Developing enabling capabilities in individuals and the system.
- Integrating the development of the people with organizational development.
- Maximizing the learning opportunities of individuals in organizations through various mechanisms, autonomy and responsibility.
- Balancing change and adaptation.
- Building feedback and reinforcement mechanisms, etc.

HRD managers are expected to be involved with the creation of learning environment through HRD tools (Rao, 2007). In that sense they are concerned with development rather than traditional personnel functions. Based on his experiences of conducting HRD audit in over a dozen Indian Organizations Rao (2007) concluded that: … the real HRD Managers envisaged two decades ago are getting practically extinct. The HRD roles are being reduced gradually to recruitment and retention roles essentially involving salary revisions, ESOPs, performance Appraisal and reward systems. There is


very little effort made or time left, for competency building creation of learning environment and to aligning HRD with business strategies.

Globalization and technological advancement are compelling organizations to evolve new strategic directions. Employees are thus required to be ready for accepting new roles and must think of employability over job security. There are increasing research-based evidence to suggest that employees, particularly the knowledge workers, do not consider money as the only important reason to work for a company (Senge, et al., 1994\textsuperscript{10}). On the contrary, they now expect more enriching organizational environment and an alignment of their individual values with organizational values (Finegan, 2000\textsuperscript{11}; Neal, 1999\textsuperscript{12}). When employees recognize disparity between the ideal and operational organizational values and if the gap is too wide it erodes their trust and commitment, particularly the affective commitment (McCune, 1998\textsuperscript{13}).

**Human Resource Development in India**

India, one of the fastest emerging economies of the world and the fourth-largest in the world as measured by the purchasing power parity (Sunil, 2007)\textsuperscript{14}. India is currently the second fastest growing economy in the world, with a GDP growth rate of 8.1 per cent at the end of the first quarter of 2005-06 (EOI, 2006), but in terms of the health indicators, India performs poorly. For example, the UNDP’s Human Development Report


ranks India at 127 in a list of 177 countries, much lower to that of Srilanka which is ranked 93 in the list. This report points out that India accounts for one in five child deaths in the world, amounting to 2.5 million child deaths annually. Only 42 per cent of its children are fully immunized and that 63 of every 1000 infants born in India die within a year, while the corresponding figure is 46 in Bangladesh and just 13 in Srilanka (World Bank, 2007).  

**Human Resource Development in Commercial Banks**

The concept of the HRD, as it has originated from the work experiences (Rao, T.V., and Pereira D.F. 1986) shows the activities namely performance appraisal, potential appraisal, career planning, feedback and counselling and organizational development. The concept of the HRD is to facilitate the learning of new skills and techniques for the social development, changing of the attitudes towards a more positive side of life and developing a productive work culture and team work. The HRD is being practised in the commercial banks for the organizations which are mega-sized, facing lean competition and providing innovative services. Truly speaking, the banking system in India has undergone many structural changes especially after globalization and liberalisation. They have to implement the HRD practices in order to enrich their service quality.

**NEED FOR THE STUDY**

The human resource development at the organization is the need of the era. The banking industry is not an exceptional case. The investment on human capital benefits the organization by two ways. Firstly, it increases the work performance and organizational productivity. Secondly, it enriches the job satisfaction and internal service quality among the employees. The level of satisfaction among the employees may restrict the turnover

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among the employees. Since the cost of recruiting and training of the new employees is higher than the cost of retaining the existing employees, the investment on human resources is inevitable to-day. Hence, the banks have to focus on this aspect to improve their human resources by providing appropriate training and other measures in order to increase their service quality offered to their customers. Hence, the present study has made an attempt to study this aspect.

STATEMENT OF THE PROBLEM

Today’s banks are increasingly faced with resource constraints due to the economic trends that are prevalent all over. With large amounts being spent on human resources it is very important to get good value for money through sound HRD practices. The banks have different categories of technical and non-technical personnel. The commercial banks need personally committed personnel to provide high service quality for improving the quality of services to their customers.

The public sector banks find it difficult to cope up the increasing pressure. The private sector banks have been proved to be innovative and potential competitor to both public sector and foreign banks. Eventhough, there are lot of tangible developments in the banking industry, the focus on the development of intangible assets i.e. human capability are not focused upto the level. Hence, these banks are struggling to face competition in the industry. Hence the development of the human resources becomes very vital to achieve more.

REVIEW OF PREVIOUS STUDIES

Importance of HRD

Mullins (1998)\textsuperscript{17} identified that training is potentially one of the most important motivators. It is a key element in the ability, morale, job satisfaction and commitment of

staff, and also in the improved delivery of service and the customer relationship and the economic performance.

Hoque (2000)\(^\text{18}\) remarked that as service quality becomes increasingly vital to competitive success, so does the need to provide staff with skills and motivation to enable them to deliver high quality and professional service.

Hill and Stewart (2000)\(^\text{19}\) mentioned the need for strategic approach to the HRD in all firms. The success of the HRD rests on the awareness of the owner and the manager and also their drive to congruence between the training and the learning activities and the business plan.

Maher and Stafford (2000)\(^\text{20}\) revealed that the choice of the trainer is a key determinant in the success of the training effort. The trainers must be competent and interested in their work. Tacit knowledge is vital for understanding the HRD in their organizations.

**Importance of HRD in Service Industry**

Ilies et al., (2006)\(^\text{21}\) revealed that effective leaders may ensure that the values of the employees are aligned with those of an organization, offer constructive feedback, and facilitate the retention of key people.

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Bontis and Serenko (2007)\textsuperscript{22} mentioned that the HRD at service industries influence the employee commitment, employee motivation and human capital in a positive way.

Jawahar (2006)\textsuperscript{23} demonstrated empirically the existence of a commitment performance link in the banking industry. He also indicated that this relationship is stronger for employees order of high financial pressure.

Hsu (2006)\textsuperscript{24} stated that motivated employees are likely to share their knowledge, and organizations should encourage their employees by implementing company-wide learning initiative and performance management systems.

Colvin and Boswell (2007)\textsuperscript{25} revealed the association between the knowledge sharing and organizational value alignment in the service industry.

**HRD functions**

It is acknowledged that effective people management and development is one of the primary keys to achieve improvements in the organizational performance.

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Heraty and Morley (2000)\textsuperscript{26} stated about the HRD function “while often viewed as an elusive activity, lacking any real strategic focus, there is evidence that this is changing. Their findings are: (i) responsibility for the HRD policy-some development to line managers, (ii) Identifying the HRD needs, seven out of ten organizations conducted systematic training needs analysis.

Prickett (1998)\textsuperscript{27} conducted a survey among London University graduates. It showed that 90 per cent of them expected their employers to help them in their development. It is found that one third of the samples of high fliers would leave it as they could not broaden their skills. Organisations likewise view investments in human resource development to be important.

Losey (1999)\textsuperscript{28} reported that organizations increasingly seek, through sophisticated human resource development and work place learning strategies to develop employee competencies to enable them to respond quickly and flexibly to business needs.

Sandberg (2000)\textsuperscript{29} identified that the human resource development results into several positive individual and organizational outcomes such as higher performance, high quality individual and organizational problem solving, enhanced career plans and employability, sustainable competitive advantage, higher organizational commitment and enhanced organizational retention.


Components of HRD

David and Marie (2006) identified the important constituent components of the HRD namely workplace learning, training and development, employee development (training and education), organizational development, performance improvement, career development, instructional design, theories of learning at individual and organizational level, consulting and formal and informal learning.

Schmidt et al., (2003) listed the key trends influencing the field of the HRD. These are the changes in the work patterns and organization forms, changing definition of where and how work is accomplished, nature of work and how it is organized and structural, establishing the value of the HRD in the organizations, changing global workforce, changing demographics of workers, ethics and professional development, new notions of career and career development, globalization and E-learning.

Patton and Marlow (2002) considered training as one of the central elements in the human resource development and the organizational learning. The reasons for reluctance to invest in training are the ignorance of benefits, time issues, fear that training will enhance employee mobility and that there is little evidence to indicate that investment in training and development leads to enhanced firm performance.

Lermusi (2006)\textsuperscript{33} found that meaningfulness of work and job variety are the two areas that value, while HR overemphasis the relationship with the supervisors and the recognition that management gives regarding job performance.

Chew (2005)\textsuperscript{34} opined that the most popular of the job training techniques is coaching, which includes job rotation and self learning, whereas the off job training includes role playing, case study, lectures, seminars, group discussion, leadership training and slide presentations.

Peccei (2004)\textsuperscript{35} reiterated that employee satisfaction is high, if employees feel that they have good wages and they are well paid for what they do. He emphasized on the quality of work life, rewards, in addition to traditional increase in basic pay, and variable rewards such as bonuses, profit sharing and gain sharing.

\textbf{Strategic HRD}

Gilley and Eggland (2009)\textsuperscript{36} concluded that HRD is an organized learning activity within the organisation, used to improve performance and personnel and also personal growth for the purpose of improving the job, the individual and the organisation.

Grieves (2003)\textsuperscript{37} oriented that SHRD with its focus on proactive change management can help organizations survive in an increasingly global, custable and competitive environment.


Torres and Preskill (2001)\textsuperscript{38} revealed that critical thinking, evaluation, strategic hiring and training, participation, and credibility serve as a road map for SHRD practices and provide SHRD professionals with a clear path to establish value and performance in their organizations.

McCraken and Wallace (2000)\textsuperscript{39} found the linkage between the implementation of SHRD and the organizational culture. They mentioned that the SHRD is essential for development and learning strategies to corporate strategy and also to help to shape and influence it.

Dong (2001)\textsuperscript{40} suggested that a top management commitment to resources is vital to ensure project continuance and success. It is one of the most important factors for ensuring organizational learning success.

Manev (2005)\textsuperscript{41} argued that the SHRD practices are essential to maximize the HRD outcomes by embracing organizational learning.

**HRD and Organisational Outcome**

Singh (2003)\textsuperscript{42} conducted a survey of 84 Indian firms representing major domestic business sectors ranging from automobiles and auto components to cement, engineering, iron and steel, financial services, info-tech and the like. He found that the combined effect of HR performance index was significant in predicting firm’s performance as well as employee turnover and productivity.

\begin{enumerate}
\end{enumerate}
Edgar (2003)\textsuperscript{43} examined the relationship between the HRM and the organizational outcomes such as productivity and turnover rate. He identified the positive and significant impact of the HRD practices on their employee’s perception of the HRD climate and quality orientation.

Zairi (1998)\textsuperscript{44} identified an organization which had an adequate system of potential appraisal and promotion, performance guidance and development, role efficacy, and reward and recognition system promoted quality orientation. Quality orientation was measured in terms of customer orientation, continuous improvement, total quality, sense of pride and the like.

Englehardt and Simmons (2002)\textsuperscript{45} identified that incentives and reinforcement can be used to encourage people to adopt changes such as those that may be the subject of the HRD interventions. Pressure to learn often comes from group norms and from a simple awareness of the skills acquired by others and the available opportunities to learn new ways of doing a job.

Karen et al., (2006)\textsuperscript{46} found that the high level of staff turnover is typical of the organizations in the regional areas which result in significant shortage and recruitment difficulties. This creates specific challenges to the HRD strategies and practices in terms of maintaining adequate skill levels.


Dilworth (2003)\textsuperscript{47} ascertains the core components of the HRD as strategic change management, integration of learning processes, knowledge management, career development, healthy and productive workplaces, insourcing and outsourcing of training, team building, leadership development, application of technologies to the HRD and socio technical fit.

v) HRD and Job Satisfaction

Appelbaum et al., (2000)\textsuperscript{48} revealed that the employees find satisfaction in being able to perform tasks adequately and are more willing to work hard for the overall well-being of the organization. This not only increases the involvement of the employees at the workplace but also creates interesting and challenging work.

Becker et al., (2001)\textsuperscript{49} identified that organisations need to promote such values as openness, trust, initiative, teamwork and collaboration, human treatment of worker, creativity, quality, empowerment, delegation and the like for better results.

Ahmad and Raida (2003)\textsuperscript{50} examined the association between the training and organizational commitment among the white collar workers in Malaysia and they reported that the availability and support for training, training environment, and the like, positively contributed to overall commitment scores.


Sanberg, (2000)\textsuperscript{51} advocated that the investment in the HRD by the organizations constitute to the organizational and the individual performances such as high performance, high quality of individual and organizational problem solving, higher organizational commitment and enhanced organizational retention.

Priti Jain (2004)\textsuperscript{52} investigated the main critical qualities required to provide efficient public library service. According to her, they are enthusiasm, positive attitude, innovative thinking, achievement, a feeling of self-worth, job security, staff recognition, status, career development, good salary, effective communication, job satisfaction, conducive working environment, delegation of authority, clear job description and performance feedback.

William and Dodd (1998)\textsuperscript{53} identified the topical areas in HRD as: creative problem solving, living with change, managing transitions, power influence, bargaining and negotiation, time and stress management, personal motivation, planning and goal-setting, co-ordination and task analysis, professional communication, conflict management, team building, interpersonal communication and participative decision making.

**HRD Practices and its Consequences**

Singh (2009)\textsuperscript{54} revealed that the HRD practices are a strong predictor of organisational culture both in private sector and public sector organisations in India.

\begin{itemize}
\end{itemize}
Kandula (2001)\textsuperscript{55} pointed out that better strategic HRD practices contribute for harmonious industrial relations scenario, increased ability, low need for employment, externalization and downsizing of manpower.

Reddy et al., (2000)\textsuperscript{56} mentioned that all the dimensions of organisational climate were found to have positive correlation with organisational commitment.

Sharma and Pooja (2000)\textsuperscript{57} revealed that a better ethical environment of the organisation leads to better HRD climate for an organisation.

Singh et al., (2008)\textsuperscript{58} showed that the test HR practices have a positive relationship with organisational performance; motivational HR policies have a positive impact on generic performance. HR policies are updated on a regular basis, there is a high likelihood that the organisation will be high on morale, adaptability, quality of product and services, learning and growth, and overall impact on industry.

Jain and Kamble (2005)\textsuperscript{59} revealed that HRM/HRD department follows up work on training needs as identified through performance appraisal system.


Jain and Agarwal (2007) found the training climate was highly satisfied in the four facets and moderately satisfied in the two facets of the participants reaction.

Jain and Chatterjee (2007) revealed that HRD oriented institutional climate across the selected eighty eight academic institutions of higher education sector was found was moderately favourable and communication with regards to the selected seven dimensions was also found to be moderately favourable.

Manikutty (2005) found that for the purpose of the desired development of managers, training programmes are far from sufficient.

Jain and Sayeed (2005) found that open door approach, employees’ preference for face to face conversation, facilitating employee communication through trade unions, mutual relationship and credibility, and variety of organisational facilities and supportive systems were found as facilitators of upward communication; protective screening, supervisors’ attitude of paying attention to communication initiated by the subordinates.

**RESEARCH GAP**

Eventhough, there are so many studies related to the HRD and its causes and consequences at various industries, only a few studies are related to the banking industry. The studies related to HRD practices at banking industry in Tamilnadu are nil. Hence, the present study has made an attempt to fill up the research gap with the help of the proposed research model.

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THE PROPOSED RESEARCH MODEL

OBJECTIVES OF THE STUDY

Based on the proposed model the objectives of the study are confined to:

i) 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 at 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 the implementation of HRD practices and its various outcomes in commercial banks.

HYPOTHESES OF THE STUDY

Based on the objectives, the following hypotheses are drawn:

i) There is no significant difference among the private and public sector banks regarding the level of existence, implementation and consequences of HRD practices at commercial banks;
ii) There is no significant association between the profile of the banks and the level of existence of various aspects related to HRD systems, HRD practices, antecedents of HRD at banks and the outcome of HRD practices;

iii) There is no significant impact of implementation of HRD practices on the various outcome of HRD practices at commercial banks and

iv) There is no significant impact of constraints to implement the HRD practices on the rate of implementation of HRD practices at commercial banks.

RESEARCH METHODOLOGY

Research is defined as looking for new facts in any branch of knowledge. The research methodology enlightens the methods to be followed in the research activities starting from the investigation to the presentation. It includes research design, sampling framework, method of data collection, framework of analysis and limitations.

DESIGN OF THE STUDY

The design of the study indicates the research design. It is the overall plan or programme of the research. It is the general blue print for the collection, measurement and analysis of data. It includes an outline of what the investigator will do from the hypotheses and their operational implications to the final analysis of data. This research work is in the form of ‘Descriptive’ study in which the researcher tried to study the existing perceptions of the employees regarding the HRD system and practices implemented at the commercial banks and its consequences. Since the present study analysed the impact of implementation of HRD practices at commercial banks on various outcome it is diagnostic in nature. Hence the applied research design of the study is descriptive and diagnostic study.

Banking Networks at Madurai District

The number of commercial banks especially private and public sector banks at Madurai district during the year of 2011-12 have been collected from the annual credit plan of Madurai district. The Madurai district consists of 12 blocks and Madurai City.
The number of commercial bank branches at various blocks and Madurai City is given in Table 1.1.

**TABLE 1.1**

*Number of Commercial Banks in Madurai District*

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Blocks</th>
<th>Number of branches in</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Private sector</strong></td>
<td><strong>Public sector</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>banks</td>
<td>banks</td>
</tr>
<tr>
<td>1.</td>
<td>Alanganallur</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>2.</td>
<td>Chellampatti</td>
<td>–</td>
<td>8</td>
</tr>
<tr>
<td>3.</td>
<td>Kallikudi</td>
<td>–</td>
<td>5</td>
</tr>
<tr>
<td>4.</td>
<td>T. Kallupatti</td>
<td>–</td>
<td>5</td>
</tr>
<tr>
<td>5.</td>
<td>Kottampatti</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>6.</td>
<td>Madurai East</td>
<td>–</td>
<td>10</td>
</tr>
<tr>
<td>7.</td>
<td>Madurai West</td>
<td>2</td>
<td>15</td>
</tr>
<tr>
<td>8.</td>
<td>Melur</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>9.</td>
<td>Thirumangalam</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>10.</td>
<td>Thirupparankundram</td>
<td>6</td>
<td>16</td>
</tr>
<tr>
<td>11.</td>
<td>Usilampatti</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>12.</td>
<td>Vadipatti</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>13.</td>
<td>Madurai City</td>
<td>51</td>
<td>108</td>
</tr>
<tr>
<td></td>
<td></td>
<td>73</td>
<td>214</td>
</tr>
</tbody>
</table>

Source: Annual Credit plan, Canara Bank, Lead Bank, Madurai District

In total, there are 287 bank branches at Madurai district. Out of the 287 branches, 74.56 per cent of branches belong to public sector banks whereas the remaining are private sector banks. The higher number of branches are noticed in Madurai city which consists of 159 branches. Out of the 159 branches, 108 branches are public sector banks whereas 51 are private sector banks. Apart from Madurai City, the higher number of 22 and 19 branches are noticed in Thirupparankundram and Thirumangalam blocks respectively.
Sampling Plan of the Study

The sampling plan of the study consists of sample size determination and distribution of sample size in the population. The sample size of the study is determined by

\[
n = \left[ \frac{Z\sigma}{D} \right]^2
\]

Whereas \( n \) – sample size

\( Z \) – Z statistics at five per cent level – 1.96

\( \sigma \) - Standard deviation of employees’ satisfaction at pilot study – 0.6112

\( D \) - Error acceptance – 0.05

\[
n = \left[ \frac{1.96 \times 0.6112}{0.05} \right]^2 = 574
\]

The sample size of the study came to 574 from 287 bank branches at Madurai district, one manager and one staff from each branch is purposively selected as the sample of the present study. The distribution of samples is given in Table 1.2.
TABLE 1.2
Distribution of Samples for the Present Study

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Blocks</th>
<th>Number of samples in</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Private sector banks</td>
<td>Public sector banks</td>
</tr>
<tr>
<td>1.</td>
<td>Alanganallur</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>2.</td>
<td>Chellampatti</td>
<td>–</td>
<td>16</td>
</tr>
<tr>
<td>3.</td>
<td>Kallikudi</td>
<td>–</td>
<td>10</td>
</tr>
<tr>
<td>4.</td>
<td>T. Kallupatti</td>
<td>–</td>
<td>10</td>
</tr>
<tr>
<td>5.</td>
<td>Kottampatti</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>6.</td>
<td>Madurai East</td>
<td>–</td>
<td>20</td>
</tr>
<tr>
<td>7.</td>
<td>Madurai West</td>
<td>4</td>
<td>30</td>
</tr>
<tr>
<td>8.</td>
<td>Melur</td>
<td>10</td>
<td>16</td>
</tr>
<tr>
<td>9.</td>
<td>Thirumangalam</td>
<td>8</td>
<td>30</td>
</tr>
<tr>
<td>10.</td>
<td>Thirupparangundram</td>
<td>12</td>
<td>32</td>
</tr>
<tr>
<td>11.</td>
<td>Usilampatti</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>12.</td>
<td>Vadipatti</td>
<td>2</td>
<td>18</td>
</tr>
<tr>
<td>13.</td>
<td>Madurai City</td>
<td>102</td>
<td>216</td>
</tr>
</tbody>
</table>

Source: Annual Credit plan, Canara Bank, Lead Bank, Madurai District.

Out of the 574 employees 428 belong to public sector banks whereas the remaining 146 belong to private sector banks. The bank employees selected from the banks at Madurai city alone are 318 whereas the remaining 256 bank employees are drawn from the bank branches at the various blocks in Madurai District.

Derivation of Score of the variables related to the HRD at Banks

The score of the variables related to the existence of HRD system, implementation of HRD practices, antecedents of HRD practices, hurdles in implementation of HRD practices and outcome of HRD practices at each branch have been computed by the mean score of the variables related to each concept in HRD among
the manager and staff of the particular branch. Hence, the present study discusses the level of existence of HRD practices at commercial bank branches as per the perception of the employees there.

**COLLECTION OF DATA**

The primary data used in the present study were collected with the help of the interview schedule. The interview schedule was classified into four parts. The first part of the schedule includes the profile of the employees and their view on the existence of HRD sub-systems at the commercial banks. The second part of the schedule covers the antecedents of HRD and factors leading to the successful implementation of the HRD. The third part of the schedule explains the rate of implementation of various type of HRD practices at commercial banks. The final part of the schedule includes the various outcome of HRD practices.

The interview schedule was pre-tested among 25 bank managers and 25 bank staffs at commercial banks in Madurai City. Based on the feedback on the interview schedule, certain modifications, deletions and additions were carried out to prepare the final draft of the interview schedule. The interview schedule was used to collect the primary data from the bank employees.

**FRAMEWORK OF ANALYSIS**

For analyzing the data collected during the investigation, the following statistical tools were used.

i) ‘T’ test

In order to test the significant difference between the two means in two different samples, the ‘t’ test is applied.

$$t = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{(n_1 - 1)\sigma_1^2 + (n_2 - 1)\sigma_2^2 \times \frac{1}{n_1} + \frac{1}{n_2}}}$$

with degree of freedom of $n_1 + n_2 - 2$
Whereas $t$ – ‘t’ statistics

\[\bar{x}_1 \quad – \quad \text{Mean of the First Sample}\]
\[\bar{x}_2 \quad – \quad \text{Mean of the Second Sample}\]
\[\sigma^2_1 \quad – \quad \text{Variance in the First Sample}\]
\[\sigma^2_2 \quad – \quad \text{Variance in the Second Sample}\]
\[n_1 \quad – \quad \text{Number of Samples in First Group}\]
\[n_2 \quad – \quad \text{Number of Samples in Second Group}\]

In the present study, the significant difference among the private and public sector banks regarding the existence of HRD systems and the implementation of the HRD practices at banks have been analysed. It is also applied to find out the significant difference among the two group of banks regarding the various consequences of HRD practices.

2. One-way Analysis of Variance

The one-way analysis of variance is applied when the criterion variables is in interval scale and the group of samples is more than two. In order to find out the significant difference between the various groups of the sample regarding each criterion variable, the one-way ANOVA has been applied. The $F$ statistics is calculated by

\[F \text{ ratio} = \frac{\text{Variance between groups}}{\text{Variance within the group}}\]

and it should be compared with the respective table value of ‘$F$’.

In the present study, the association between the profile of the employees and their view on the various aspects of the HRD and the outcome of HRD practices at commercial banks are studied.

3. Multiple Regression Analysis

The multiple regression analysis has been executed to analyse the impact of independent variables on dependent variable when the variables are in interval scale. The linear regression model was followed. The fitted regression model is
\[ Y = a + b_1x_1 + b_2x_2 + \ldots + b_nx_n + e \]

Whereas  
\[ Y \quad \text{– Score of Dependent Variable} \]
\[ X_1, X_2, \ldots, X_n \quad \text{– Score of Independent Variable} \]
\[ b_1, b_2, \ldots, b_n \quad \text{– Score of Independent Variable} \]
\[ a \quad \text{– Intercept and} \]
\[ e \quad \text{– Error Term} \]

The multiple regression analysis has been executed to analyse the impact of the HRD on the various outcome of HRD practices and also the impact of constraints to implement the HRD practices on the rate of implementation of HRD at banks.

4. **Exploratory Factor Analysis**

Factor analysis is a set of analysis procedures to study internal dependence of a large number of observations as in a survey research. It derives a smaller number of composites or factors generally orthogonal to each other, which account for most of the variance of the original variables. The factor analysis has been executed to identify the important HRD sub-systems, antecedents of the HRD, factors leading to the successful implementation of the HRD practices and constraints to implement the HRD.

5. **Confirmatory Factor Analysis**

This is a factor analysis procedure to test the hypothesis regarding how well the data fit a specified pattern of factor loadings. The CFA works best when the results of a prior exploratory factor analysis are available. In the present study, the confirmatory factor analysis has been applied to test the reliability and the validity of variables in each factor. It is used to measure the reliability and the validity of variables in the each concept developed for the implementation of HRD at banks and its consequences.

6. **Two Group Discriminant Analysis**

The two group discriminant analysis is used when the dependent variable is in nominal scale and the independent variables are in interval scale. It is used to identify the important discriminant variables between two groups. The unstandardised procedure has been followed to generalise the discriminant function.
\[ Z = a + b_1x_1 + b_2x_2 + \ldots + b_nx_n \]

**Whereas**

- \( Z \) – Discriminant Criterion
- \( X_1, X_2, \ldots, X_n \) – Discriminant Variables
- \( b_1, b_2, \ldots, b_n \) – Discriminant Co-efficient and
- \( a \) – Intercept.

The Wilk’s Lambda was calculated as a multi variant measure of group difference over the discriminating variables. The relative discriminating power of the variable was calculated by

\[ I_j = K_j \left( \bar{x}_{j1} - \bar{x}_{j2} \right) \]

**Whereas**

- \( I_j \) - the important value of the \( j^{th} \) variable
- \( K_j \) - unstandardized discriminant co-efficient for the \( j^{th} \) variable
- \( \bar{x}_{jk} \) - mean of the \( j^{th} \) variable for \( k^{th} \) group

The relative importance of variable \( R_j \) is given by

\[ R_j = \frac{I_j}{\sum_{j=1}^{n} I_j} \]

The two group discriminant analysis has been administered to identify the important discriminant aspects among the public and private sector banks regarding the various aspects related to HRD.

**LIMITATIONS OF THE STUDY**

The present study is with the following limitations:

i) The study covers only public and private sector banks at Madurai district only.

ii) Even though, the sample size is determined scientifically, the sampling procedure is not scientific.
iii) The level of existence, implementation and consequences of HRD at commercial banks have been derived by the mean score of the variables in each concept related to HRD among the sampled employees in each branch;

iv) The linear relationship between the independent and dependent variables have been assumed.

v) The variables related to the HRD sub-system, the antecedents of the HRD, the successful implementation of the HRD, the various types of HRD practices and constraints in implementing the HRD at the commercial banks have been derived from the review of the previous studies and also from the views of experts. The same procedure has also been followed in identifying the variables related to the outcome of HRD practices.

vi) The qualitative variables are converted into quantitative variables with the help of Likert’s five point scale.

CHAPTERISATION

The present study has been organized into six chapters for the purpose of neat and clear presentation.

Chapter-I includes the introduction, need for the study, statement of the problem, review of previous studies, research gap, proposed research model, objectives of the study, methodology, limitations and chapterisation.

Chapter-II explains the meaning, definitions, variables and the methods to measure the various concepts used in the present study. It includes the HRD sub-system, antecedents of HRD, factors leading to successful implementation of HRD practices, rate of implementation of HRD practices, constraints to implement HRD practices, and various outcome of HRD practices.

Chapter-III shows the profile of the employees in commercial banks, the employees view on the existence of HRD sub-systems at banks, antecedents of HRD practices and factors leading to the successful implementation of HRD practices at banks.
Chapter-IV covers the rate of implementation of various types of HRD practices and the constraints in the implementation of HRD practices at commercial banks.

Chapter-V explains the various outcome of HRD practices at commercial banks, the impact of implementation of HRD practices on the various outcome of HRD practices and also the impact of constraints in implementation of HRD practices on the rate of implementation of HRD practices at commercial banks.

Chapter-VI summarises the findings of the study, conclusions, suggestions and directions for future research.