Chapter 2

LITERATURE REVIEW
Research has indicated that service quality has been increasingly recognized as a critical factor in the success of any business (Parasuraman et al., 1988) and the banking sector in this case is not exceptional. Service quality has been widely used to evaluate the performance of banking services (Cowling and Newman, 1995). The banks understand that customers will be loyal if they receive greater value than from competitors (Dawes and Swailes, 1999) and on the other hand, banks can earn high profits if they are able to position themselves better than their competitors within a specific market (Davies et al., 1995). Therefore, banks need focus on service quality as a core competitive strategy (Chaoprasert and Elsey, 2004). Moreover, banks all over the world offer similar kinds of services, and try to quickly match their competitors’ innovations. It can be noted that customers can perceive differences in the quality of service (Chaoprasert and Elsey, 2004). Moreover, customers evaluate banks’ performance mainly on the basis of their personal contact and interaction (Gronroos, 1990).

Defining service quality and its components in a form that is actionable in the workplace is an important endeavor that any business company cannot take lightly. Moreover, many scholars agree that service quality can be decomposed into two major dimensions (Gronroos, 1984; Lehtinen and Lehtinen, 1982). The first is referred to by Zeithaml et al. (1985) as “outcome quality” and the second by Gronroos (1984) as “technical quality”. However, the first dimension is concerned with what the service delivers and on the other hand; the second dimension is concerned with how the service is delivered: the
process that the customer went through to get to the outcome of the service. The topic of measuring service quality has been studied extensively in the past-15 years. The study of McCleary and Weaver (1982) indicated that good service is defined on the basis of identification of measurement behaviours that are important to customers. Zemke and Albrecht (1985) suggested that service plays an important role in defining a restaurant’s competitive strategies and identified systems and strategies for managing service. Both the service management and the marketing literatures suggest that there is strong theoretical underpinning among customer satisfaction, customer loyalty, and profitability (Hollowell, 1996).

The study of Newman and Cowling (1996) reports that two British banks used the SERVQUAL model and this model improved quality of service, as well as both banks enjoying substantial increases in profit. Moreover, Zeithaml (2000) also found evidence about the influences of service quality on profits and Heskett et al. (1997) argued that a “direct and strong” relationship exists among service quality, customer satisfaction and profitability. Vimi and Mohd (2008) undertook a study of the determinants of performance in the Indian retail banking industry based on perception of customer satisfaction. The finding of the study reinforces that customer satisfaction is linked with performance of the banks. Berry (1980) along with Booms and Bitner (1981) argue that, due to intangible nature of services, customer use elements associated with the physical environment when evaluating service quality. Levitt (1981) proposes that customers use appearances to make judgements about realities. Hostage (1975) believes that a service firm’s contact personnel comprise the major determinants of service quality, while Lewis and Booms (1983) propose that service quality resides in the ability of the service firm to satisfy its customer needs i.e. customer satisfaction. Fisk et al., (1993) in tracking the extensive literature on service quality, stated that “The single most researched area in services marketing to date is service quality. The interest in
service quality parallels the focus on quality, total quality management, and satisfaction in business” (Fisk et al., 1993, p.77). This concept has attracted a lot of interest and further triggered a series of debates, especially in the area of marketing research literature due to the difficulties both in defining and measuring it, and further, with no overall consensus emerging on either (Wisniewski, 2001a; 2001b).

Research on services and services marketing has grown considerably (Bateson, 1995; Henkoff, 1994; Koepp, 1987). Academics and practitioners have demonstrated interest in issues that surround the measurement of service quality and the conceptualization of the relationship between service quality and consumer satisfaction (Fisk et al., 1993). Bateson (1995) states that quality is generally conceptualized as an attitude, the customer’s comprehensive evaluation of the service offered. It is built up from a series of evaluated experiences and hence is less fluctuating than attitudes built from the emotions of satisfaction.

To be globally competitive and successful, Indian organizations will have to practice international business strategies as well as international human resource strategies because ultimately it is the human resource that provide competitive edge that is difficult to imitate. Human aspect of management can contribute substantially to better employee relations and higher productivity, says A. V. Ramana Rao in his article "Higher productivity through better HRM" (Indian management, May, 1999). He feels that human being is wanting in nature and human demands are infinite, so an organization needs to analyse properly which needs of its employees are to be carefully considered and fulfilled. Organization can ensure its current and continuing profitability by taking care of its people. Mr. R. K. Rao in his article” management by values" (personnel today, vol. xx, no.3, oct-dec; 1999) has mentioned about the importance of ethics in an organization and management. According to him an
organization that follows a set of guiding beliefs and communicates those ethical values to its employees to follow them and thus institutionalize as a culture, can win and sustain loyalty of the customers for longer period of time. Also, such organizational culture has a positive impact on the performance of its employees. True cost of employee turnover has long been underappreciated and underestimated by human resource managers and all stakeholders entangled in the issue (Mohanty, 2009). Internal marketing concept in organization has long been viewed by several researchers. Garvin (1988) and Zemke (1989) examined internal service quality from different perspectives; they shared a fundamental underlying belief that the organizations attempting to deliver service quality to their external customers must do so by serving the needs of their internal customers first.

Berry (1981); Gronroos (1990) and Gummesson (1990) stated that if a management wanted its employees to deliver an outstanding level of service to customers, it must be prepared to do a great job with its employees. Gronroos (1981) stated that internal marketing should create an internal environment which supports customer consciousness among staff. Wolf and Zwick (2008) found that employee involvement and financial incentives and inducement were often honored as efficient way for increasing the organizational productivity. They revealed that employee job involvement lifted up the organizational productivity, but monetary incentive scheme did not do so. Schneider and Bowen (1993) postulated that by recruiting and selecting right people, training them to work in the market segment allocated to them, rewarding them according to the objective achieved by them would get benefits to the organization. Efficient service deliveries were the result of the quality of employee improvement and welfare, including environment for work, training and development, job design, and attention to the employee interests. The outcome of the analysis pointed out that the service approach reflecting the magnitude of employee development derived employee outcomes such as
efficiency and productivity and employee job satisfaction. The outcomes of employees due to such activities were significantly correlated with the customer satisfaction and, thus, with the business performance, but only some associations to financial performance were significant. Delaney and Huselid (1996) categorized the human resource management practices into the factors that improved employee skills, motivated and inspired the employees, and arrangement design of the workplace. They concluded that at least the following four human resource management dimensions could be acknowledged in his work, these were, employee feedback, their training and development, workplace design, and the employee pay system.

A number of authors have explored the links between individual HR practices and corporate financial performance. Lam and White (1998) reported that firm’s HR orientations (measured by the effective recruitment of employees, above average compensation and extensive training and development) were related to return on assets, growth in sales and growth in stock values. Using a sample of banks Richard and Johnson (2001) examined the impact of strategic HRM effectiveness on a number of performance variables. They found that strategic HRM effectiveness was directly related to employee turnover and the relationship between this measure and return on equity was stronger among banks with higher capital intensity. Cascio (1991) argues that the financial returns associated with investments in progressive HR practices are generally substantial. Russel, Terborg and Powers (1985) demonstrated a link between the adoption of employment training programs and financial performance. Koch and McGrath (1996) reported that firms using more sophisticated staffing practices had higher labor productivity. Green, Wu, Whittten and Medlin (2006) reported that organizations that vertically aligned and horizontally integrated HR functions and practices performed better and produced more committed and satisfied employees who exhibited improved individual and organizational performance. Tsai (2006) study in Taiwan
reported that effective use of employee empowerment practices are positively related to organizational performance. HRM plays an important role in the exchange relationship between the organization’s management and its employees, and its practices might have some effect on service quality (Humprey, Ehrich, Kelly, Sandall, Redfern, Morgan & guest 2003; Schneider & Bowen, 1985, 1993; Siddiqui & Kleiner, 1998; Zerbe, Dobni, & Harel, 1998).

Two partners are actively involved in the service process: employees and customers, and when an organization nurtures its relationships with its employees, a real improvement in service provision to customers occurs (Schneider & Bowen, 1995). On one hand supportive working environment and organizational aspiration to service and excellence will motivate employees to give customers the best service. On the other hand, customer who meets a satisfied and enthusiastic employee will perceive the provided service positively (Schneider, While & Paul, 1998). HRM practices are an important part of the social exchange that characterizes employment relations, and in which the components of trust come into play. Trust has been discussed in the literature as an extremely important issue for employment relationship and as a potential tool to improve organizational performance (Collins & Poras, 1994; Sako, 1998; Shaw, 1997). Trust therefore appears to be an essential intangible recourse in the organisation, which bonds managers and their subordinates (Tzafrir & Dolan, 2004). When management uses procedurally fair practices, it affects employees trust in management because these procedures demonstrate respect for the rights and dignity of individual employees (Folger & Konovsky, 1989). Therefore employee's positive perception of HRM practices will be positively related to employee's trust in their managers. Customers are exposed to organizational climate by being close to employees psychologically and physically.
Management should be aware of this closeness, which has a strong influence customer’s perception of service quality (Schneider & Bowen, 1993). Therefore trust is associated with positive and desirable outcomes (Collins & Porras, 1997; Mayer & Gavin, 1999; Mishra & Mishra, 1994; Sako, 1998; Shaw, 1997). Hence it is true to say that employees’ trust in managers will be positively related to perceived service quality. Likewise participatory management is equally important. Participatory management practice balances the involvement of managers and their subordinates’ information processing, decision making and problem solving endeavors (Wager, 1994). There is now substantial empirical literature showing that high involvement, commitment based human recourse management (HRM) systems are associated with superior performance (Appelbaum & Batt, 1994; Batt, 2002; Delaney, & Huselid, 1996; Huselid, 1995; macduffie 1995; Wrightetal ; 2005; Younadl etal; 1996). According to spender (1996) knowledge has become the most important strategic factor of production, so managers must now focus on its production, acquisition, movement, retention and application. Grant (2002) holds that knowledge is the overwhelming important productive recourse; indeed the value of people and machines lies primarily in the fact that they embody knowledge.

The behavior response of employees towards HRM strategies depends on the workplace climate created by these strategies. Bowen and Ostroff (2004) have conceptualized psychological climates as one that apply to individuals in their own specific work contexts based on the experimental perceptions of what people see and report happenings to them as they make sense of their environment. Schneider, White, and Poul (1998) developed and tested a model of the effects of the service oriented climates in bank branches on customer satisfaction. They took some HRM factors e.g. participation, leadership and training and treated these as foundation variables important to create climates for service. They found some support for inferring that HRM factors influenced
the climate for service and found that climate had a reciprocal cause-effect relationship with customer satisfaction

Gelade & Ivery (2003) in a study of bank branches estimated a structural model of the effects of several HRM related variables and a general climate measure on a mix of performance outcomes. Their 'general climate' factor was a composite measure of sub-factors depicting employee perception about top management's concern for employees, local managers efforts to build team work, team goals, feedback, pay fairness, training and opportunities to use one's abilities. The authors found that these HR practices helped predict their general climate construct, which itself was strongly related to performance.

Service organizations are shifting their focus from 'transactional exchange' to 'relational exchange' for development of mutually satisfying relationship with customers. Bennet (1996) described that CRM seeks to establish long term, committed, trusting and cooperative relationship with customers characterized by openness, genuine concern for the delivery of high quality services, responsiveness to customer suggestions, fair dealings and willingness to sacrifice short term advantage for long term gains. As suggested by (Levitt, 1986; Gronroos, 1994; Morgan, 1994; Gummesson, 1999; Bejou etal, 1998) trust, commitment, ethical practices, fulfilment of promises, mutual exchange, emotional bonding, personalisation and customer orientation have been reported to be the key elements in the relationship building process. Schneider and Bowen (1999) suggested that companies manage how to implement concern for customer needs in all actions that might influence customer's feelings about relationship with the firm.

M. Sareen and Sarika Tomar in their article, “Sustainable competitive advantage gaining through strategic HRM” (2000), opine that until two decade ago the contribution of human resource management was considered peripheral to the organization’s growth and development. They further mention that in
recent years there has been a shift in thinking—it is the human resource that is the critical factor in the success of one organization from the other. HR is the key to competitive advantage. Better HR practices offer the organization a chance to gain sustained competitive advantage. To cope up with the shift in the external environment successfully, business organizations require a further shift in the operations of the human resource department and in the attitudes of the management.

HRM is concerned with the deployment, provision and effectiveness of employees. Beer and others (1984) also stress the importance of HRM in getting managers involved in the dissemination of the organization’s central mission to all employees. As Worsam (1997) points out, successful service organizations invest heavily in HRM, especially ongoing training. The management of human resource is crucially important in all organizations but it is particularly true of service organizations where every employee is (or potentially is) in direct contact with customers. The role of marketing is to achieve organizational aims by satisfying user’s needs, and HRM is about reaching organizational aims. For this reason HRM must be concerned with satisfying external customer needs (Palmer 1994). Palmer further suggests that HRM has two separate functions here; creating short term flexibility (managing demand) and creating long term flexibility (managing change). To this we might add a third function in the marketing context: creating personal flexibility amongst employees. That is; empowering them to respond flexibly to customer’s needs. Economic intelligence unit research, reported by Irons (1997) showed that the primary factor in the customer’s perceptions of service is the ability and the willingness of staff to be non routine—to blend the rules to meet individual needs.

Leavitt (1965) proposes that an organization can change four things its task or purpose, its technology, its structure and its employees
research shows that HRM practices are important for enhanced corporate performance but little has been reported on the effect of HRM practices and corporate performance in the context of economic liberalization of India. A multiple-respondent survey of 69 Indian organizations was undertaken to study the impact of innovative HRM practices on firm performance. The survey found that the innovative recruitment and compensation practices have a positive significant relationship with firm performance. It was observed that recruitment, the role of the HR department and compensation practices seem to be significantly changing within the Indian firms in the context of India’s economic liberalization. The synergy between innovative HRM practices was not significant in enhancing corporate performance during the liberalization process.

In the last 20 years, research has shown that the strategic use of human resource management (HRM) is likely to be one of the most important determinants of organizational performance. Researchers have built evidence that links HRM practices with corporate performance (Schuler and MacMillan 1984; Schuler and Jackson 1987, 2005; Storey 1992; Arthur 1994; Dyer and Reeves 1995; Huselid 1995; Purcell 1995; Delaney and Huselid 1996; Huselid and Becker 1996; Ichniowski, Shaw and Prennushi 1997; Delery 1998; Pfeffer Wright and Snell 1998; Grotto, Hope-Hailey, Stiles and Truss 1999; Truss 2001; Guest, Michie, Conway and Sheehan 2003; Paauwe 2004; Paauwe and Boselie 2005; Wright, Snell and Dyer 2005)

A number of authors have explored the links between individual HR practices and corporate financial performance. For example, Lam and White (1998) reported that firms’ HR Orientations (measured by the effective recruitment of employees, above average Compensation, and extensive training and development) were related to return on assets, Growth in sales and growth in stock values. Using a sample of banks, Richard and Johnson (2001)
examined the impact of strategic HRM effectiveness (ratings of how effectively a variety of HR practices were performed) on a number of performance variables. They found that strategic HRM effectiveness was directly related to employee turnover and the relationship between this measure and return on equity was stronger among banks with higher capital intensity (greater investments in branches). This is exemplified by Terpstra and Rozell’s (1993) study of the relationship between recruiting/selection practices and firm performance, where they found a significant and positive link between extensiveness of recruiting, selection and the use of formal selection procedures and firm performance. Casino (1991) argues that the financial returns associated with investments in progressive HR practices are generally substantial. Russel, Trevor and Powers (1985) demonstrated a link between the adoption of employment training programs and financial performance. The use of performance appraisals (Burma 1991) and linking such appraisals with compensation has also been consistently connected with firm profitability (Gerhart and Milkovich 1990). Koch and McGrath (1996) reported that firms using more sophisticated staffing practices (planning, Recruiting and selection) had higher labor productivity. Huselid (1995) reported that HR Practices can influence firm performance through provision of organizational structures that Encourage participation among employees and allow them to improve and redesign how their jobs are performed. Green, Wu, Whitten and Medlin (2006) reported that organizations that vertically aligned and horizontally integrated HR function and practices performed better and produced more committed and satisfied HR function employees who exhibited improved Individual and organizational performance. Since the purpose of human resource management practices is to more effectively manage people, it is intuitive that the impact of effective human resource management would be felt first at the employee level.

Human resource practices should directly impact the employees of the firms where they are practiced and, if done effectively, will result in a number
of positive employee outcomes. These outcomes might include such things as: commitment to the company, trust in management, higher levels of cooperation, higher levels of effort and involvement, and a lower inclination for employees to leave the company. These positive outcomes for the employees in the company in turn should lead to higher levels of operational and financial performance. Operational performance is any kind of performance resulting from the operations of the business and could include items such as high quality or improved customer satisfaction. A plethora of research is available on the impact of HR practices on perceived employee performance. For example, Huselid (1995) in his famous article “The impact of human resource management practices on turnover, productivity, and corporate financial performance” took eleven human resource management practices which are personnel selection, labour management participation, incentive compensation, performance appraisal, grievance procedures, information sharing, job design, attitude assessment, recruitment efforts, promotion criteria and employee training. He found a significant relationship between high work practices such as compensation and employees outcomes. Teseema & Soeters (2006) in their famous article "Challenges and prospects of HRM in developing countries: testing the HRM-performance link in Eritrean civil service“ took eight HRM practices which are recruitment and selection practices, placement practices, training practices, Compensation practices, employee performance evaluation practices, promotion practices, grievance procedure and pension or social security. They found a significant relationship between HRM practices and perceived employee performance. Managers who hold Human relation theory of participation belief simply in involvement, arguing that as long as subordinates feel that they are participating and are consulted, their ego needs will be satisfied and they will be more cooperative (Richie and Miles, 1970).

Guest (2002) have argued that the Impact of HRM on performance depends upon worker’s response to HRM practices, so the impact will move in
direction of the perception of HRM practices by the employee. Wood (1999) and Guest (2002) has stressed that a competent, committed and highly involved work force is the one required for best implementation of business strategy. Huselid (1995) has found that the effectiveness of employees will depend on impact of HRM on behavior of the employees. Patterson et al (1997) while discussing impact of people management practices on business performance has argued that HR practices in selection and training influence performance by providing appropriate skills. Their research has found that HR practices have powerful impact on performance even if measured as productivity. Huselid (1995) stressed that by adopting best practices in selection, inflow of best quality of skill set will be inducted adding value to skills inventory of the organization. He also stressed on importance of training as complement of selection practices through which the organizational culture and employee behavior can be aligned to produce Positive results. Cooke (2000) has included efficiency and effectiveness as ingredients of Performance apart from competitiveness and productivity. Singh (2004) whose observations are more relevant in our cultural context, argues that compensation is a behavior aligning Mechanism of employees with business strategy of the firm. Career planning is a tool that aligns strategy with future HR needs and encourages employee to strive for his personal development (William et al, 1996). By increasing employee participation, the firm will benefit from increase in productivity of the employee due to increased commitment of the employee. Financial participation schemes were more beneficial for the organizations than the associated cost (Summers & Hyman, 2005).

Use of best HR practices shows a stronger association with firm’s productivity in high growth industry (Datta et al, 2003). This finding has significance in our case as we have shown that the telecom sector of Pakistan is a high growth industry. Wright et al (2003) have argued that an employee will exert discretionary effort if proper performance management system is in place
and is supported by compensation system linked with the performance management system. Job definition is combination of job description and job specification. It clearly outlines duties, responsibilities, working conditions and expected skills of an individual performing that job (Qureshi M Tahir, 2006).

Ichniowski (1995) while observing productivity of steel workers have found that complementary HR practice System effects workers performance. Majority of previous research has verified significant relationship between HR practices and employee Outcomes (Sels, 2006) Collins (2005) in a research of similar nature targeting small business have found that effective HR practices impact employee outcomes significantly (employee outcomes used by them were different than ours). The research studies conducted by Mr. Tahir Masood Qureshi (2006) on Impact of HR practices on organizational performance in Pakistan clearly indicate that HR practices affect Organizational Performance through employee outcomes. Organizations are under constant pressure to enhance and improve their performance and are realizing that relationship exists between organizational Performance and employee performance Roberts, 2005. Rutherford (1990) reported that motivation makes an organization more effective because motivated employees are always looking for better ways to do a job, so it is important for management to understand how organizations influence the motivation of their individual employees.

**Motivation and Job Performance**

One of the most important assets of any organization is its employees. Keeping employees motivated is one of the key roles of any organization as it leads to increase in overall productivity and profitability of that company. It is mainly the department of Human Resource that takes care of employee motivation. Salary, incentives, good working atmosphere, appreciation, healthy environment are some of the common aspects that motivate an employee at work. According to Butkus & Green (1999) motivation is derived from the
word “motivate”, means to move, push or persuade to act for satisfying a need. Baron (1983) defined motivation in his own right. He says that “motivation is a set of process concerned with a kind of force that energizes behavior and directs it towards achieving some specific goals. Many writers have expressed motivation is goal directed behavior. This objective nature of motivation is also suggested by Kreitner and Kinicki (2001) put forward that motivation represents “those psychological processes that cause the stimulation, persistence of voluntary actions that are goal directed”. In another terms, a motivated person have the awareness of specific goals must be achieved in specific ways; therefore he/she directs its effort to achieve such goals (Nel et al., 2001). It means that motivated person is best fit for the goals that he/she wants to achieve as he/she is fully aware of its assumptions. Therefore if the roles of managers are assumed to successfully guide employees towards the organizational agenda of achieving its objectives, then it is very important for them to educate and understand those psychological processes and undertakings that root cause the stimulation, direction of destination, determination and persistence of voluntary actions (Roberts, 2005). Mo1 (1992) differentiates between the terms ‘movement’ and motivation’. Movement carries out the task for compensation, remuneration in humans mind to act, while the term motivation is stapled with total involvement of a person in its tasks to carry out with excitements and happiness. In simple words, movement make person compel to carry out tasks, while motivation is self realized jubilant and pleasing act of carrying out specific tasks. The researcher emphasizes on motivation which is basis for the success because the person involved in it is very happy and voluntarily excited not for compensation.

Motivation is reason for individuals’ accomplishments to carry out the project La Motta (1995). There are many aspects of motivation in an organization, a person motivated by those aspects may not necessarily motivate another person gives reasons, because there are many different factors that
affect motivation level of different employees. On reaching the understanding and believing that people (employees) are naturally motivated, an organization simply provide the environment for their motivation to be enhanced and improved (Baron, 1983). It means that an organization is a better environment and working atmosphere provider, it only needs to believe that the people have the motivational behavior.

**Importance of Motivation**

The achievements of individuals and organizational goals are independent process linked by employee work motivation. Individuals motivates themselves to satisfy their personal goals, therefore they invest and direct their efforts for the achievements of organizational objectives to meet with their personal goals also. It means that organizational goals are directly proportion to the personal goals of individuals. Robert (2005) reported that the manager job is to ensure the work done through employees is Possible, if the employees are self motivated towards work rather directed. The managers’ involvement is not so much important in the motivation of employees. The employees should motivate themselves to work hard. The major issue in all services organizations is the motivation of employees whether they are Skilled or unskilled or professionals. It is a today’s challenge for the management in this competitive world to motivate employees to offer efficient and good services that customers expect so for. The employees’ motivation, their enthusiastic and energetic behavior towards task fulfillment play key role in successes of an organization to benefit (Cheng, 1995). According to Petcharak (2002) one of the functions of human resource manager is related to ensure employees’ workplace motivation.

The human resource manager’s function should be to assist the general manager in keeping the employees satisfied with their jobs. Another goal in organization is the goal for the services manager is to develop motivated
employees and encourage their morale regarding their respective works. The employee work morale, such as supervisors, peers, organization, and work environment can be defined in a sense that the employee has the feeling and be conscious about all aspects of the job. The performance is poor if the employee is not satisfied and happy. Workplace dissatisfaction often leads organization and its employees’ poor performance.

The important factors that can fulfill and motivate employees are: challenging work, work that yields a sense of personal accomplishment, expression of appreciation for good performance, increased responsibility and the chance to grow in the job, the feeling of importance and making a contribution to the organization, and participation in job-related matters that affect the employees. Human beings are motivated by requirements that fulfil their needs. These depend on many factors and vary by the individual requirements and necessary situation. Besides basic needs that range from food, clothing, medicine and shelters, there is workplace that needs to be extended for acceptance and self-esteem. The researcher has indicated that each individual experience these factors in different level. Therefore, managers should figure out the basic theories of motivation, how to be better (Cheng, 1995).

Employee training is becoming a necessity to every organization now-a-day. Employees are entrusted different roles and responsibilities in the banks. Training enables them to carry out these roles and responsibilities efficiently and also learn new things, which will prepare them to take up higher responsibilities in the future. Rainaye, R. (2004) in his study empirically examined the training policy in two commercial banks, namely State Bank of India and Jammu & Kashmir Bank Limited. The focus of this study is on the various facets of training including Management’s attitude towards training, training inputs, quality of training programmes and transfer of training to the
job. Whereas it records that the training scenario is to a large extent satisfactory. It evaluates the opinions of the employees of two cadres of both banks: in particular that it can be made fully effective only when the training needs assessment and transfer of training to the job are considerably improved, besides bringing in finer improvements in other dimensions. Shishupal Singh Badhu and Karunesh Saxena (1999), Role of Training in Developing Human Resources is another work of relevance. In this, the authors concluded that an organization should have well-defined training policy as well as training manual and training should be made an ongoing process.

Regarding the executive development programmes the authors have concluded that, these programmes have been found to be useful in improving the productivity, efficiency and effectiveness of managers. The authors have suggested that these programmes should be included as an integral part of the training programme. The overall purpose of HRM is to ensure that the organization is able to achieve success through people. HRM has been defined as a strategic and coherent approach to the management of an organization’s most valued assets---- the people working there who individually and collectively contribute to the achievement of its goals (Armstrong, 1999).