Banking industry is the lifeline of the nation and its people. Banking has helped in developing the vital sectors of the economy and usher in a new dawn of progress on the Indian horizon. The sector has translated the hopes and aspirations of millions of people into reality. However, to do so, it has had to control miles and miles of difficult terrain, suffer the indignities of foreign rule and the pangs of partition. Today, Indian banks can confidently compete with modern banks of the world.

The success of the bank mainly depends on the services provided to the customers and the quality of services rendered on the employee performance or the competency of them. There are a number of studies and surveys conducted to improve the performance of the banks. Therefore, this chapter makes a review of the literature on the subject of the study.

2.1 The Performance and Human Resource Practices in Banks

Nanayakkara (1999) in his study on “Changing Paradigms in Human Resource Management” pointed out that the performance of the banks (as any other service sector organization) highly depends on their Human Resource Management (HR). Hence, efficient and effective HR
practices of selecting the right people, who would maximize value and minimize cost within the organization remains a challenging task.

This was also observed by Randy (2000)\(^2\)“Why Loyal Employees and Customers Improve the Bottom Line” that between 40 and 80 percent of customer satisfaction and loyalty is determined by the customer-employee relationship, depending upon the industry and market segment. At sears, employee satisfaction accounts for 60 to 80 percent of customer satisfaction. At the Royal Bank of Canada, 40 percent of the difference in how customers view its services can be linked directly to their relationship with bank staff. Therefore, if customers are well treated and their needs fully catered for, employee productivity increases leading to increase in performance.

According to Kamesam (2004)\(^3\) the core function of Human Resource Development (HRD) in the banking industry is to facilitate performance improvement, measured not only in terms of financial indicators of operational efficiency but also in terms of the quality of financial services provided. Factors like skills, attitudes and knowledge of the human capital play a crucial role in determining the competitiveness of the financial sector. The quality of HR indicates the ability of banks to deliver value to customers.

Capital and technology are replicable but not the human capital, which needs to be valued as a highly valuable resource for achieving that competitive edge. The primary emphasis needs to be on integrating human resource management strategies with the business strategy. HRM strategies include managing change, creating commitment, achieving flexibility and improving teamwork. The other processes representing the overt aspects of HRM, viz. recruitment, placement, performance management, are complementary.
Krishnamurthy K. V. (2004)\(^4\) highlighted the deficiencies in compensation policies as follows. In the process, we are paying same compensation to the performers and non-performers, the talented and the menials, often unable or unwilling to make the distinction, creating a disastrous situation where those with talent look for exit options like Voluntary Retirement Scheme (VRS).

Patnaik (2004)\(^5\) Chief Manager (HRD) Central Bank of India opines that "Recruitment policy should go beyond writing eligibility criteria. Man power planning and recruitment policies should be reviewed and institutionalized."

Bimal Jalan (2004)\(^6\) Ex-Governor, Reserve Bank of India stated that "A major challenge for many banks will be to develop the special competencies and skills for credit appraisal and risk management in an environment of deregulation and openness".

Mohan Deshmukh (2004)\(^7\) in the study entitled "Human Resource Management: need for a pragmatic approach" stated that "In Indian banks, job descriptions are still not drawn up in greater detail so as to cover individual posts in a branch or departments of branch and controlling offices. Job profiles and job requirements are not defined."

Purwar A.K. (2004)\(^8\) Chairman, State Bank of India, stressed on customer focus. "Greater customer centric focus calls for greater employee involvement and motivation and change in mindset. Long used to working in a protected environment, staffs in public sector banks are widely perceived to have low motivation and low involvement, and the lack of distinction between high performers and poor performers with no reward and punishment system has only added to the lethargy. He also mentioned
that the banks needed to build a service culture using technology in a
customer friendly manner. This requires reorienting HRD strategies in
banks on an urgent basis and banks need to emphasize right size, right skills
and right attitude”.

Other challenges in Human Resource Management are

- Over manning
- Low manpower productivity
- Employee unions

G.S. Bhaskara Rao (2004) in his study "Changing Profile of
Banking Impact on HRM policies and processes" pointed that "HRM
practices and policies in Indian banks have been evolved primarily through
reactive processes, and were the matters of bilateral agreements between the
managements and the representative Unions. The post-nationalization period
had witnessed a phenomenal growth in the number of trade unions,
encouraged by the management's continued patronage by way of leaving all
matters relating to HR to the prudence of unions.

Till the advent of financial sector reforms the concept of "human" as
an "asset" was not assigned much importance and the role of HRM was
mainly focused towards maintenance of personnel, and thus was not attuned
to the emerging business priorities”.

Sangwan (2005) in his research article entitled ‘Human Resource
Management in Banks’ has mentioned that Human Resources are the most
important element for the progress of banking. Though technology can
replace manual intervention, the thinking process is the exclusive preserve
of human beings. With changing times and technology, banks would require
employees with special skills in the areas of risk management, treasury, product development, customer relationship management and IT services. The technology can improve speed and quality of performance, but at the same time it can also unleash the risk factor. It is rightly said: “We are trying to apply third generation ideas on second generation organizations which are unfortunately run by first generation managers”.

Anil K. Khandelwal (2005)\(^\text{11}\) in the study entitled "Criticality of HR reforms for Public sector banks in the new era", observed "Though the system of employee appraisal has been vogue in banks, it has not helped in developing an organization-wide performance culture in Public Sector Banks. The system often fails to differentiate performers from non-performers, average performers from high performers. Reforming the performance appraisal system by making it more objective and linked to corporate business objectives is the need of the hour. Key performance indicators need to be scientifically assessed and objectively linked with organizational goals so that the performance of the employees can be assessed on critical parameters”.

Mangaleswaran T and Srinivasan P T (2007)\(^\text{12}\) designed an empirical study “Human resource management practices in Sri Lankan and Indian public sector banks: an empirical comparison” to explore and compare Human Resource Management practices in Sri Lankan and Indian Public Sector Banks. Human Resource Management (HRM) is a developed concept. It has tremendous relevance to service sector like Banks. Human input is the single largest input to the banking industry. The level of efficiency/productivity of this input gets reflected in the quality of service offered by the banks to its customers, as also in its ultimate growth, productivity and profitability. Human Resource Management Practices have
been studied extensively among Manufacturing, Service and Small Medium Enterprises. However, only a few studies have addressed the banking industry. Even these researchers have not compared Human Resource Management Practices in Sri Lankan Public Sector banks (SLPSBs) and Indian Public Sector Banks (IPSBs). The investigation is based on a survey of 730 employees. It consisted of 281 responses from SLPSBs and 449 responses from IPSBs. To measure the HRM Practices, a structured questionnaire was used to collect data. The key area of analysis includes staffing, training, compensation, performance appraisal, and employee relations. Data were analyzed employing descriptive statistics and t-test with the help of SPSS. The study results reveal that Public Sector Banks in both countries practice HRM but the extent of practices vary from one another. Further, the results show a number of similarities and differences in HRM systems of Sri Lankan and Indian public sectors Banks. Against the established idea, the results of this study reveal that the gap between Sri Lankan and Indian public sector banks’ HRM practices is very significant. Moreover, in one of the HR functional area (compensation), Sri Lankan public sector Banks show to adopt a more rational approach than their counterparts.

Mangaleswaran (2007)\(^\text{13}\) in his study ‘Human Resource Management Practices and its outcomes in Indian and Sri Lankan Public Sector Banks’ revealed that Human Resources (HR) are more important in the service organizations than in goods producing industry, as their cost of labour is relatively high proportion in the total cost of production. Moreover, employees on the front line in the service sector are in contact with the customer, and the customer satisfaction depends upon employee performance. Banks in the service industry delivers its service across the counter to the.
ultimate customer. The activities of banking industry are all about “relationship”. Hence, banking industry has to provide better services with a smile to the customers in order to cultivate and maintain long lasting relationship with their customers. Notwithstanding the level of technology, banking is primarily a labour intensive service sector. Hence, it will not be possible for the banks to sustain effectiveness unless human resource management is given prime importance because the technology is only an aid to human effort and not a substitution thereof. If the technology is the equalizer, then the human capital shall be the differential in future.

Sujatha Mellacheruvu and Krishnamacharyulu C. S. G (2008) pointed that Indian public sector banks have been facing a number of challenges ever since the industry was opened up for private and international players. Social banking practices followed by public sector banks consequent to nationalization have resulted in increased non-performing assets, decreased profitability and operational efficiency. Privatization of banking sector forced public sector banks to take up serious measures for improving profitability and efficiency of operations. Human resource management is the area where many initiatives were implemented for streamlining banking operations. In the study HRM challenges faced by public sector banks were analyzed and suggestions made by the experts in the field, summarized.

Kadian W. Wanyama and S. N. Mutsotso (2010) conducted a study “Relationship between capacity building and employee productivity on performance of commercial banks in Kenya” focusing on the influence of employee productivity on organizational performance. This study investigated the impact of capacity building and employee productivity
on commercial banks. Kenya has experienced banking problems since independence in 1964 culminating in major Bank failures (37 failed banks as at 1998). The bank failures were largely due to weak supervision; poor service delivery, poor public relations and organizational ineffectiveness. Their study revealed that equipping employees with expertise, skills and knowledge can improve employee productivity and thereby improve performance of the banks. The results of their study was published in the form of an article and thereafter research focusing on the firm-level impact of human resource management practices such as employee productivity, satisfaction and motivation has become popular.

According to Kwabena Frimpong and Alan Wilson (2012) though a great deal of attention has been given to measuring service orientation as a personality trait, very little attention has been given to conceptualizing and measuring the construct in terms of what employees actually do in service delivery. The few studies that have attempted to fill this gap tend to focus narrowly on what service employees do in their interactions with external customers via global measures.

The purpose of their paper was to provide a broader conceptualization and measurement of service orientation in service delivery, reflecting employees’ interactions with both internal and external customers. An instrument was developed following a systematic scale development approach. Survey data were collected from 535 employees and 1,970 customers. Results from an exploratory factor analysis suggested that service orientation in delivery was underpinned by four major structures, namely internal cooperative behaviours, service responsiveness, service competence and enhanced service. Findings cannot be generalized as the study was based on only the banking sector in one country.
2.2 Employee Competency

Quinn, R.E., et.al (1990)\textsuperscript{17} in his study on “Becoming a master manager” specified eight interconnected roles that effective managers perform as, director, producer, monitor, coordinator, facilitator, mentor, innovator and broker.

Cockerill and Tony (1995)\textsuperscript{18} - “Managerial Competencies: Fact or Fiction?” presented eleven dimensions of managerial competency for high performance which are, information search, concept formation, conceptual flexibility, interpersonal search, managing interaction, development orientation, impact, self-confidence, presentation, proactive and achievement orientation.

The American Compensation Association (1996)\textsuperscript{19} conducted a major survey of 217 mid to large size organizations to determine competencies. Respondents of this research study were senior management, high performers, and functional experts. The survey found organizations using competencies for communicating valued behaviours and organizational culture (75% agreed competencies have a positive effect), "Raising the bar" of performance for all employees (59% agreed), emphasizing people (rather than job) capabilities as a way to gain competitive advantage (42% agreed), encouraging cross-functional and team behaviour (34% agreed). The report points out that competency-based HR applications are evolutionary rather than revolutionary, in that they are treated as add-ons to existing HR practices. And also noted that competencies tended to highlight organizational behaviours rather than job-related skills.
Quinn et al. (1996) subsequently, proposed eight managerial roles as mentor, facilitator, monitor, coordinator, director, producer, broker and innovator. Each role is composed of specific competencies, for example, the role of mentor involves communicating effectively and developing subordinates. These eight roles reflect two organisational dimensions, flexibility Vs control and internal Vs external. Depending upon the organizational goals, the CEO places greater emphasis on certain managerial roles.

Martin (1997), in his study, “The sickening mind: Brain, Behavior, Immunity, and Disease” named competencies, as believed, are universal, regardless of context (four competencies under each of three headings labeled sharpening the focus building commitment and driving for success). In the study, three kinds of competencies identified that vary as a function of a given cultural context (business relationships, the role of action and the style of authority).

Bratton, (1998) “Develop a framework of core competencies” pointed that managerial core competency is any knowledge, skill, trait motive, attitude, value or other personal characteristics which are essential to perform a job. To obtain an effective performance, a work organisation needs people, who have a suitable competency. It is a paradigm shift from old to new wherein now managements are focused on more humanistic aspect. In the present regime of globalised business environment, managers should give more attention and motivation to their employees. Accordingly, managers are required to have good interpersonal skills.

Gregersen, Morrison, and Black (1998) conducted interviews and gathered data for international managers and identified five characteristics of
successful global business leaders; (1) context specific knowledge and skill, (2) inquisitiveness, (3) personal character (connection and integrity), (4) duality (the capacity of managing uncertainty and the ability to balance tension) and (5) savvy (business savvy, political savvy and organisational savvy).

**Rolland Le Brasseur, Huguette Blanco and John Dodge (2002)** in their work titled “**Competencies of CEOs in Technology – Oriented SMEs** An Exploratory Study of Skills for Survival & Initial Growth” revealed that in managerial competencies, 14 significant findings were found. When comparing the fast growth with the survival stage, there was a significant increase in the importance of the following competencies such as communicating effectively, developing subordinates, managing organisational performance, planning and goal setting, delegating effectively, fostering productive work environment, building/maintaining a power base and creating change in contrast etc. There was a significant decrease in the importance of the following competencies such as innovating in products/services, managing projects, selling and promotion, planning and monitoring cash flows, perseverance, technical competence and intuition.

**Leslie et.al (2002)** has commented that learning behaviour include the motivation and skill to work and learn across cultural differences, the willingness to take the perspective of others and the capacity to learn from workplace experiences’. These variables have held a tacitly strong position in the management-development literature and some of the global – management literature. Resilience refers to the ability to manage time and stress, factors that might, be more salient in the management task. The third skill group ‘business knowledge’ represents knowledge of the business strategies and practices. Therefore, managerial roles stand for behaviour
which managers employ to carry out the basic function of their work they are, managing relationship, managing information and managing action. Current thought suggests that in a way all of the roles are important for attaining managerial competencies.

Zeti Akhtar Aziz (2005) did an opening speech on “Developing a robust competency framework for the Malaysian banking industry” at the Industry Competency Framework Study Focus Group Discussion. In that session, he narrated that the banking is a knowledge-intensive, skills-based and relationship-rich industry. In an increasingly complex and a more liberalised environment, the competitiveness of banking institutions will depend critically on the quality of human intellectual capital and the extent to which the industry is able to leverage on these talents. To compete effectively, banking institutions need professionals with the requisite skills and expertise not only at the strategic and management level, but also at the technical and operational level. Successful institutions will be the ones which accord high priority to effective placements, rewards, retention and most importantly, life-long learning and the continuous enhancement of human capital. Life-long learning is becoming increasingly important in this knowledge-based economy where knowledge and skills need to be continuously updated and upgraded. At the macro-level, the breadth and depth of skills of the entire financial services workforce will increasingly be the defining factor in determining the success in building a more efficient, effective and dynamic financial sector. The availability of appropriately trained and competent human resources is a critical factor key to support the performance of the industry. In essence, continuous strengthening of intellectual resources and capabilities must be made.
Maria Vakola, Klas Eric Soderquist, Gregory P. Prastacos, (2007) "Competency management in support of organisational change" This paper dealt with analysis of forward-looking, dynamic and proactive approach to competency modeling explicitly aligned with strategic business needs and oriented to long-term future success. The study is based on a longitudinal research project by a leading Greek bank, currently undergoing fundamental corporate restructuring. The paper describes how the competency model was developed and how it facilitated strategy implementation and change by supporting communication, employee understanding of business goals, and the incorporation of new behaviours, roles and competencies in operations. The major findings are the organisational core competencies is required for a business to compete successfully in the banking sector and the skills and behaviours that the individuals would need to possess in order to produce and support those core competencies.

Jyothi, P. and Jyothi, V. Sree (2009) in their study “HR Issues and Challenges in Indian Banking Sector” mentioned that over the last three decades, there has been a remarkable increase in the size, spread and activities of banks in India. The number of bank branches rose considerably during this period. The business profile of banks has transformed dramatically to include non-traditional activities like merchant banking, mutual funds, new financial services and products and the human resource development. Change is the only constant factor in this dynamic world and banking is not an exception. The changes staring in the face of bankers relate to the fundamental way of banking-which is undergoing rapid transformation in the world of today. The major challenge faced by banks today is to protect the falling margins due to the impact of competition. Another significant impact of banks today is the
use of technology. There is an imperative need for not mere technology up-gradation but also its integration with the general way of functioning of banks. All these are possible with the help of efficient human resource management. However, the challenges faced in the HR front are numerous and need to be handled diligently. The paper attempts to identify few HR challenges in the Indian Banking Context and suggests mechanisms to handle them.

**Naveed Saif et.al (2010)**

“Competency based analysis” The study was conducted at Bank of Khyber Main Head office, Peshawar with an object to assess competency based job performance. A stratified random sample of 60 employees from 200 employees was taken for this study, nine respondents were from top level, 36 from middle level and 15 respondents were from lower level of management. Competency was assessed in term of knowledge, skill and attitude using Likert scale. Chi-square test was used for hypothesis testing. The results showed that performance and job satisfaction were strongly associated. Similarly knowledge (shared and priorities) and skill (training and willingness) were strongly associated with job performance. However, attitude (tolerated and productive) of the respondent were insignificantly associated with job performance. Finally, it is recommended that organization may focus on knowledge, skill and particularly on attitude by arranging training to improve performance level of the respondents.

**Kumari, Anitha and Sita, V. (2010)**

conducted a study on “Role of Competencies in Human Resource Management: A Study in Indian Organizations” had mentioned in their empirical research work that contemporary organizations are essentially people driven. Creating new forms of competitive advantage has thus become a major area of concern for
organizations. It gets more complex in the contemporary knowledge based industry with the knowledge workers contributing to the organization in the form of human capital. The searches for newer forms of competitive advantage in organizations are seen in the name of competencies at the individual level. Competencies are a combination of observable and applied knowledge, skills and behaviors that create a competitive advantage for an organization. It focuses on how an employee creates value and what is actually accomplished (Nath & Raheja in, 2004). From a managerial point of view, very little has so far been achieved with regard to the question of which competencies create success in the organizations. The same is true in the scholarly research arena thus making the subject an exciting field of enquiry. Their study empirically investigated the role of competencies for employee development in the Indian IT and Pharma Industry. The importance of competencies in the talent acquisition, talent development and talent retention was also examined. The data was collected from a randomly selected sample of 89 employees in the IT and Pharmaceutical industry. The Awareness level of employees, usage of competencies in the different functions along with their perceptions has been collected through a specifically designed questionnaire. Data were content analyzed in a descriptive way with simple statistical treatment of frequency and percentages using the SPSS package. The results show the importance of competencies for organizational success. It also underscores the need for developing/implementing competency based approach for effective human resource management.

School of Land Science and Technology (2010) conducted a study on “Employees' career competency in commercial banks”. They reached the conclusion that the employee's career competency is critical for an enterprise to survive and develop. By analyzing the components of
employee's career competency in commercial banks, they formulated a suitable development model of career competency for commercial banks, and also explained its operating mechanism based on human resources disposition and information flow separately. They figured out professional ability, leading ability and endogenous quality as employees' career competency in commercial banks. Therefore, according to them, the main contents of the development system should involve professional and leading ability. They proposed a career-competency development system with four basic modules. The modules proposed are “pre-career development subsystem”, “enterprise development subsystem”, “individual self-development subsystem” and “transformation & integration subsystem”. It helps to achieve the intercourse of employee and information between interior and interior, interior and exterior, to promote the employee's career competency during the dynamic process of internal operation and external competition, and eventually maximizing the effectiveness of human resources development.

Mily Velayudhan T.K (2011) conducted a study on “Competency Mapping of the Employees” pointed that competency mapping is a strategic HR framework for monitoring the performance and development of human resource in organizations. Regardless of whatever happens to the future of software in India, people who are outstanding in their performance will continue to be in demand and will keep rising and for this, the human resource of each organization should develop the competencies that they have in order to compete with the highly competitive market. This conclusion was based on data from 195 software employees of whom 145 were from Cognizant Technology Solutions (CTS) and the rest form Hindustan Technology Limited (HCL). Their competencies were studied in-depth to bridge the gap of the
lacking competency that would help the employees to outshine in the organization to lead its goal through its objectives.

Anathbandhu Patra (2011)33 “Creating more effective HR managers through Emotional Intelligence skill straining” mentioned in his study is Emotional Intelligence (EI), unlike Intelligent Quotient (IQ), is important for managerial success and competencies. Emotional Intelligence is the ability to monitor one’s own and other’s emotions to discriminate among them. It involves self-awareness (ability to understand one’s own emotions), self-management (ability to keep negative emotions and impulses under control), and self-motivation (the drive to achieve despite setbacks, developing skills to attain target and taking initiative to act on opportunities). It helps to: (a) enhance communicating skills, (b) adjust with others, (c) build team, and (d) manage conflict. Not only do most of us spend the largest portion of our day at work but our identity, self esteem and well being are strongly affected by our work experiences. It has been reinforced by self awareness, optimism, and empathy which can enhance satisfaction and productivity at workplace. The workplace is the ideal setting for the promotion of these competencies. In the workplace, this ability can greatly enhance interpersonal communication and people skills.

Das, Debabrata and Mukherjee, Soumya (2012)34 a study on “A Competency Mapping Framework for Indian Services Sector” stated that economic liberalization policies adopted by the lawmakers in the last decade of the previous century have resulted in steady growth in India's GDP and the share of services sector in this growth story is remarkable. At present, services sector contributes to Indian economy in a significant manner by providing huge employment. The success of a services sector depends on the capacity and ability of its employees in providing excellent services to the customers.
In India, services sector companies ranging from telecom, software to banking, insurance and financial services face a challenging task to recruit develop and retain skilled and effective manpower and that is why HR experts and consultants are worried about the future growth of services sector in India. In most of the services sector organizations, Competency Mapping is being used as a process to identify key competencies for the organization and/or a particular job and based on that the identified competencies are being incorporated throughout the various processes (i.e. job evaluation, training, recruitment, etc.) of the firm.

A recent empirical study shows in the context of banking and financial sector that customers' satisfaction depends heavily on some factors related with certain skills and behaviours of the employees of the firm. Therefore, it is necessary to incorporate the customers' views and thoughts in identifying competencies for a particular job that involves frequent customer interaction. The study attempted to develop a framework through which the competencies for a job can be identified from all directions – be it employees or be it customers and thus the proposed framework makes the competency mapping process more prudent and effective for the services sector firms in the present Indian economic scenario.

Nagaraju and Sathyanarayana Gowda (2012) concluded that to-day’s business is characterised by global operations, transitions, paradigm shifts, pressure of competition, wealth creation, shareholder value creation, customer focus, culture, value-based products, context-based approach, managing diversity, culture and value driven and what not. The organizational success earlier depended on physical and financial assets, today the success solely rely on the intangible ability and
capability that lie in the human capital and manifested in the form of competencies. The methodologies used for the present study are both analytical & survey. The entire research programme dealt on the linkage of employee competencies with business strategies and at the same time the linkage outcomes in terms of individual employee performance and organization performance. The major findings are:

- Competency is a key behaviour of employee’s in the sample organizations that enables the superior performance of the organizations as a whole. It is more pronounced in sample information technology and foreign banks.

- Two-thirds of the sample firms achieved competitive edge through developing and sustaining employee competencies in addition to ability to innovate, ability to adopt new technologies and the ability to understand the customers and their needs.

Sambasivan (2012) conducted an empirical study on “Managerial Core Competency Perceptions of business executives” undertaken by India corporate sectors, to determine the competencies required to be successful business managers in India. It is based on competency research methods pioneered by United States Geological Survey (USGS). It identified a need to implement a behaviorally based ‘Core-Competency Model for Managers’ (CCMM). The study commenced by focusing on private companies (India), Private companies (Multinational) and Public and Government sector managers. Managers from various business sectors validated the findings. The study made significant contributions for Team Building, Creative and innovative Judgment / Decision making, Supervision, Motivation, Flexibility, Conflict Management, Goal setting, Vision and Mission, Organizing and
Control, Delegation of Authority and development of Leadership skills for successful managerial persons.

Ramakrishna G, Kameswari, Giridhar M. Kumar And Krishnudu CH. (2012) 37 conducted a case study on “Effectiveness of training and development programmes—A case study of Canara bank employees in Kurnool district in India” mentioned that the banking industry is becoming more competitive than ever, private and public sector banks are competing each other to perform well. The executives of the banks are now in the position to modify their traditional human resources practice in to innovative human resources practices in order to meet the challenges from other competitive banks. The Human Resource Development department has to play a more proactive role in shaping the employees to fight out the challenges. The banks not only have to make plans and policies and devise strategies, the actual functionaries have to show competence and effectiveness in executing the said policies and strategies. In commercial organizations like banks, HRD departments have the advantage of not being excessively burdened with day-to-day problems of running the banks or ensuring profitability of individual transactions. They are in positions to take strategic and long-term view of the competitive advantage of the human resources as well as identify areas of professional weaknesses to rectify well before any damage takes place in the organization. Indeed, they have the excellent opportunity to implement the desired HR policies to improve and strengthen the organization to withstand the onslaught of fierce competition in future.

Rama L and Dr. Sarada S (2014) 38 conducted a study on “Competency mapping of Managers in Textile unit” to find out the competency level of managers. Competency mapping is used as a tool to analyse the competency of the managers. To assess the competency, the
researcher has identified 33 competencies in to four broad categories such as functional, analytical, potential and Behavioural. From the analysis, it was found that the analytical skills were found to be lower (2.99 average score) and the functional competency to be higher (3.37 average score). It is concluded that the individual gap analysis and training required in the lowest competency areas and properly designed activities help to develop the competencies of the managers.

Job Satisfaction

Gregson (1991)\textsuperscript{39} in his empirical research work “The Separate Constructs of Communication Satisfaction and Job Satisfaction” had mentioned that the most popular and researched measures of job satisfaction is the Job Descriptive Index (JDI). The author had used a JDI with a 72-item questionnaire for his study that was an adjective checklist type questionnaire developed by Smith, Kendall, and Hulin in 1969”. This measure is based on the five facets of job satisfaction measures.

According to Cranny, C. J, Smith, P. C. and Stone E. F. (1992)\textsuperscript{40} job-satisfaction is one of the most studied constructs in the areas of industrial organizational psychology, social psychology, organizational behavior, personnel and human resource management, and organizational management. This makes sense in that knowledge of the determinants, the consequences, and other correlates of job satisfaction can be vital to organizational success.

The history of job satisfaction stems back to the early 1900s with the situations perspective on job satisfaction. This perspective states that satisfaction is determined by certain characteristics of the job and characteristics of the job environment itself. This view has been present in
the literature since the first studies by Hauser, Taylor and the various projects at the Western Electric plants in Hawthorne.

According to Tack and Patitu (1992) until recently most researches on job satisfaction were done in the industrial sector with attempts to adapt the findings to higher education. While the above findings have relevance, job satisfaction for faculty must be examined. Given the impending shortage of prospective faculty to fill the numerous vacancies, the topics of job satisfaction for faculty, recruitment, and retention must be given attention. Consequently, university officials and current faculty in higher education must recognize the factors that lead to job dissatisfaction among faculty and eliminate them; as well as, recognize the factors that increase job satisfaction and enhance them.

According to Hakim (1993) a satisfied employee tends to be absent less often, to make positive contributions and to stay with the organization very eagerly. However, a non-satisfied employee may be absent more often, may experience stress that disrupts co-workers, and may be continually looking for another job.

Cardona (1996) conducted a survey among members of the Association for Investment Management and Research on “Job Satisfaction not Due to Cash, Pensions & Investments”. The survey revealed that 81 per cent of the managers were satisfied or very satisfied with their job. When asked to identify the factors that created positive feelings about their job, most managers named ‘professional achievement, personal or professional growth, the work itself and their degree of responsibility’ as more important than compensation. Factors they viewed as creating negative feelings about their jobs were ‘company policies, administration,
relationships with supervisors, compensation and the negative impact of work’ on their personal lives.

**National Center for Education Statistics (1997)**\(^{44}\) had reported on job satisfaction among American teachers that more administrative support and leadership, good student behavior, a positive school atmosphere, and teacher autonomy as working conditions associated with higher job satisfaction. A weak relationship was found between faculty satisfaction, salary and benefits. Research also shows that demographic variable such as age and gender have little or no significant impact on job satisfaction.

**Karl and Sutton (1998)**\(^{45}\) conducted a study on “*Job Values in Today’s Workforce: A Comparison of Public and Private Sector Employees*”. The study revealed that “From an employee’s standpoint”, say “job satisfaction is a desirable outcome in itself”. From a managerial or organizational effectiveness standpoint, job satisfaction is important due to its impact on (1) absenteeism (2) turnover, and (3) pro-social citizenship behaviors such as helping co-workers, helping customers, and being more cooperative. Thus, to redesign jobs, reward systems, and human resource management policies that will result in optimum job satisfaction and productivity, managers need to know what employees value.” In order to know what employees value it is necessary for organizations to assess and pay attention to current levels of job satisfaction.

**Yankelovich Partners (1998)**\(^{46}\) surveyed 10,339 workers across 10 European countries and the USA. Across the four major geographic regions studied, workers specifically emphasized the importance of potential advancement and the opportunity to build skills as a way to maintain employability and job security”. 

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\(^{44}\) National Center for Education Statistics (1997)

\(^{45}\) Karl and Sutton (1998)

\(^{46}\) Yankelovich Partners (1998)
Maurice (1998)\textsuperscript{47} a study on “Happy Workers Miss Fewer Days” holds the view that in order to decrease some of the negative feelings towards job and increase productivity it is necessary to reduce the number of work days employees miss by increasing job satisfaction, redesigning disability plans and involving supervisors in management.

McDonald and Hutcheson (1999)\textsuperscript{48} in his on “Employee Loyalty, Commitment Directly Impact the Bottom Line” have stated that “Research indicates that customer satisfaction and loyalty are excellent predictors of profitability…the strongest predictors of customer satisfaction: employees’ general satisfaction with their jobs and employees’ satisfaction with their work/life balance.” Again, it is important to note that job satisfaction is subject to change.

According to Wiggins and Bowman (2000)\textsuperscript{49} current studies on job satisfaction are plentiful with some interesting results. In one study, the relationship among career experience, life satisfaction, and organizational factors for managers of healthcare organizations is explored. Within this study a two-stage Delphi analysis of American College of Healthcare Executives (ACHE) members identified nine domains of important job skills, viz. knowledge, and abilities necessary for success as healthcare managers. The nine domains, ranked in order of importance, are ‘cost/finance, leadership, professional staff interactions, healthcare delivery concepts, accessibility, ethics, quality/risk management, technology, and marketing’.

In their study Wagner and Rush (2000)\textsuperscript{50} focused on Organizational Citizenship Behaviors (OCB) analyzing peer ratings of altruistic OCB in a sample of 96 US nurses. The study showed that the contextual variables such
as job satisfaction, organizational commitment, and trust in management were pertinent for the participants.

**Brannigan and Zwerman (2001)** in their study assumed that when a certain set of job conditions are present a certain level of job satisfaction will follow. The Hawthorne Studies are considered as the most important investigation of the human dimensions of industrial relations in the early 20th century. They were done at the Bell Telephone Western Electric manufacturing plant in Chicago beginning in 1924 through the early years of the Depression. The Hawthorne plant created an Industrial Research Division in the early 1920s. Personnel managers developed experiments to explore the effects of various conditions of work on morale and productivity.

**Bruce and Kay (2002)** in his study “The Hidden Human Resource: Shareholder Value Finding the Right Blend of Rewards” stated that highly satisfied groups of employees’ characteristics are customer loyalty (56 percent), productivity (50 percent), employee retention (50 percent), safety records (50 percent), profitability (33 percent), (available through www.gallup.com). A Watson Wyatt Worldwide study found that the practice of maintaining a collegial, flexible workplace is associated with the second-largest increase in shareholder value (nine percent), suggesting that employee satisfaction is directly related to financial gain. Over 40 percent of the companies listed in the top 100 of Fortune magazine’s “America’s Best Companies to Work For” also appear on the Fortune 500. While it is possible that employees enjoy working at these organizations because they are successful. The Watson Wyatt Worldwide Human Capital Index study suggests that effective human resources practices like employee satisfaction, motivation, punctuality lead to positive financial outcomes.
According to Robbins et al. (2003)\textsuperscript{53}, job satisfactions can be defined as an individual’s general attitude towards his or her job. In another study, Aronson et al. (2005)\textsuperscript{37} state that job satisfaction plays an important role in improving the financial standing of organizations. Dissatisfaction amongst higher-level employees will most likely reflect on lower-level employees thus resulting in economic, financial and morale problems that indicate that a positive relationship between job satisfaction and job level conveys certain economic advantages to business organizations.

Eyupoglu and Saner (2009)\textsuperscript{54} conducted a study on “Job Satisfaction: Does Rank Make a Difference?” said that job satisfaction today is a topic of major interest for many researchers and is an organizational variable that should be understood and constantly monitored for the welfare of any organization.

Vijayashree and Jagdish chandran (2011)\textsuperscript{55} in their study on “Locus of Control and Job Satisfaction: PSU Employees” attempted to identify the type of locus of control (i.e. internal or external) present in Public Sector Units (PSU) in Bangalore, of India, on job satisfaction of PSU employees. Their research indicates that there is a positive correlation between internal locus of control and job satisfaction as well as between external (other) locus of control and job satisfaction. They show that internal control is the term used to describe the belief that control of future outcomes resides primarily in oneself and external control refers either to the expectancy that control is outside of oneself, in the hands of powerful other people or due to fate/chance.

Akinbobola (2011)\textsuperscript{56} in his study “Conflict in Human Capital Relationships: The Impact of Job Satisfaction on Job Involvement in a
Workplace” stated that there is significant independent prediction of job involvement by age, job satisfaction and some characteristics which are supervision, fringe benefit, contingent reward, operating procedure, co-workers and communication. She discussed the implications of the result in line with corporate governance and conflict resolution.

Jain S, Sharma S. and Jain, R. (2011) conducted a study on “Job Satisfaction in Banking: A Study of Private and Public Sector Banks (Comparative Study)” is of the opinion that job is not only just obeying the boss; it provides internal satisfaction and is something for which employees bear to live. Organizations put efforts and provide excellent conditions for satisfying their employees.

Folami and Bline (2012) a study on “Relationship among Job Satisfaction, Task Complexity, and Organizational Context in Public Accounting” discussed in their research the evidence on the link between job satisfaction and employee affective outcomes, including turnover and job performance. They examined the association between task complexity, organizational context variables of centralization, organizational complexity, formalization, and environmental uncertainty with job satisfaction.

2.3 Employee Performance Evaluation

Efficient human resource management i.e., performance analysis and maintaining higher job satisfaction level in banks determine not only the performance of the bank but also affect the growth and performance of its employees’. When thinking about competences, concepts such as performance and effectiveness are involved because competence is directly linked with effective performance in complex situations as it is thought to
serve as a causal factor for success because “competent performance presumes competence” (Westera, 2001).

Delaney (1996)⁵⁹—“Forthcoming Unions, Human Resource Innovations and Organizational Outcomes” organizations can adopt various HRM practices to enhance employee skills. First, efforts are on improving the quality of the individuals hired, or on raising the skills and abilities of current employees, or both. This can be done by providing comprehensive training on the job and development activities after selection.

Walker (1998)⁶⁰ in his study “Satisfying Employees is a Profitable Strategy” expressed that “Rewarding employees for work well have done increases satisfaction and productivity.” Simple practices like this can aid the atmosphere of the work environment. Metzler (1998)¹⁵ cited that “Giving recognition and rewards outside the paycheck such as recognizing key employees by name may also help in improving his/her performances.”

Huselid MA, Becker BE, Ulrich D (2001)⁶¹ a study on “The HR scorecard: Linking people, strategy, and performance” said that there is a positive association between employee participation, empowerment and organizational performance.

Mejoy Patnaik (2004)⁶² in his work "Structural changes in banks': HRM policies and procedures" opined "compensation in most of the banks now follows low wages and high employment model. The emerging model of banking would lead to some of the major paradigm shifts in core values ....man power planning, recruitment, training and development, talent retention, succession planning, performance compensation, reward and punishment mechanisms are to be reviewed/institutionalized."
Janmejaya K. Sinha (2004) stated that as for incentive, the present status is tenure based fixed compensation and poor measurement.

Kazmi R, Amjad S and Khan D. (2008) conducted a case study on "Occupational stress and its effect on job performance: A case study" said that in workplaces where people are constantly afraid and insecure, employees are at risk of "turning numb" to protect themselves. This is clearly seen in the blank faces of sub staff’s, the lack of enthusiasm by front line workers, and in the remarkably insensitive ways managers and employees treat each other. The very mechanism, which allows a person to survive an emotionally painful environment, also makes it difficult for them to respond sensitively and empathetically towards others. Stress affects employer’s and employee’s performance which questions the survival of both because if employees reduce their work efficiency there would be a great fall in productivity may affect the employer also. This tends to affect the organizational performance in an increasingly competitive market, but even jeopardizes their survival.

R.K.Sahu (2009) “Competency Mapping” – he pointed that competencies are performance enablers and the key to superior performances. The major contribution of him was the evaluation of competency. In addition to competency mapping, a new method Will and skill mapping was introduced to evaluate the competency of the employees. There were different variables used for assessing will mapping are attendance, teamwork, reaction to criticism, discipline, initiative, responsibility, quality of job and support. Skill assessment is based on the gap analysis between desired level and actual level performance of employees.
Jamal Nazrul Islam et.al (2012)\textsuperscript{66} in his study “A Study On Job Satisfaction And Morale Of Commercial Banks Bangladesh” said that in today’s changing world the business environment is changing rapidly. The emergence of e-commerce and development of information and technology plays a significant role in the nature of work as well as their attitude towards the organization. We have been experiencing a tremendous growth in banking sector of Bangladesh during the last decade of the twentieth century. Private commercial bank plays a vital role in the overall development of our economy. Though it is a challenging profession, people working in this sector have increased notably during last few years. In recent time banking sector have become the first choice for career development. In consideration of that factor, this study investigates job satisfaction among employees of all public and private commercial bank limited. The research method used an anonymous survey that was voluntarily completed and returned to the researcher. The study determined that morale and job satisfaction plays a vital role in overall performance of the employees in the workplace. The study also determined that social status, supportive colleagues and feeling secure about the job were the top three best reasons for working in the banks. It was also determined that pay, decision-making authority, and promotional policy were the three top priorities for improving the work environment.

**Conclusion**

The above literature survey explained that the importance of human resources in the banks and different types of competencies needed to the staffs for their superior performance. Managers need such skills, in order to build a new organizational culture and meet future challenges. They help
organisations to clarify expectations, define future development needs and do more focused recruitment and development planning. Literature also pointed that the job satisfaction of the employees is the indicator of the sound banking system. It depends on the competencies of their employees.