



Reflections on Key pointers of HRD :The Real Bottom line in Indian Banking Sector: A Comparative Study

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Abstract

Management of an organization plays an important role in designing Human Resource policies and their execution. There is a reflection of the attitude of the top management people .HRD had gained lot of popularity over the period of time. It can be any organization like bank, manufacturing unit, office etc., the development of human resources is necessary for its efficient and effective working. In an evolutionary process when developing economy struggles to attain higher levels of living. It can hardly over look the need of developing its human resources to meet bigger and developing new challenges of raising the quality of life of the masses. HRD envisages to bring about the continuous improvement in the employee competencies, moral and motivation ,changes and improving the effectiveness in a proper way. One of the importance of the HRD is developing the employees of the organization. The present study aims at studying the to analyse and interpret the HRD in the banking sector industry in India. The area chosen for the study was Kanpur. The paper makes an attempt to compare a public sector bank and the private sector bank in terms of HRD. Authors have formulated the hypothesis and they are tested also to get the outcomes with the help of three variables training and development,performance appraisal and job rotation

Keywords: Bank, HRD, Efficiency, job rotation, training

Introduction

People' is the most important and valuable resource every organization or institution or institution has in the form of its employees. Dynamic people can build dynamic organizations. Effective employees can contribute to the effectiveness of the organization. Competent and motivated people can make things happen and enable an organization/institution to achieve its goals. Therefore, organization should continuously ensure that the dynamism, competency, motivation and effectiveness of the employees remain at high levels. Human Resource development is thus a continuous process to ensure the development of employee competencies, dynamism, motivation and effectiveness in a systematic and planned way. The core function of HRD in the banking industry is to facilitate performance improvement. 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 human resources indicates the ability of banks to deliver value to customers. HRM strategies include managing change, creating commitment, achieving flexibility and improving teamwork. Liberalisation has not only triggered changes in the whole economy, including the banking sector, but has also thrown up challenges for banks, in general, and public sector banks, in particular. Whether Human Resource Management (HRM), an important element in the business process evolution, post-liberalisation, has given a strategic telescopic focus is subject to debate. 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

Literature Review

Abraham 1988: 48-64, in his studies on HRD practices have been made in the past. A review of literature has been made to highlight the type of practices, other organizations are making so that a linkage could be established. HRD climate is an integral part of organizational climate.

Raman (1989:342-365) in his study on HRD experiences in State Bank of India underlines the main objectives of HRD for the bank is to create a climate of openness and trust, build a collaborative culture whereby everyone is an important member of an effective team, promote human capabilities and competencies in the organization, bring integration of individual and organizational goals, improve quality of life.

Usha Krishna (1986) explores the HRD sub-systems in the Sundram Fasteners Ltd. (SFL). The HRD unit there started working on organizational structure (focusing on clarifying reporting relationships, outlined key responsibility areas), manpower planning, placement, development oriented performance appraisal system, training and development, rewards and career planning.

Rao (1992: 350-371), in his analysis of 14 organizations, mentioned that L & T was the first to start integrated HRD system, inspiring other organizations to do so. Several organizations, however, made some innovations in the HRD Sub-systems. A Study conducted by XLRI centre for HRD in 1984 shows that HRD climate data was available for 6 organizations including Voltas , Jyoti Ltd. SBI, L& T , CGL, SBP and ICC. Examining the results, Rao and Abraham (1986: 73-85) reveal that L & T and Voltas have HRD climate to the extent of 60 per cent on 100 point scale and remaining 5 are in the middle range (around 50 percent).

Research Objectives

The following are the objectives to be achieved

- To identify the various HRD mechanisms which are being used at both the banks PNB and ICICI
- To make comparative analysis of the HRD systems
- To evaluate the perceptions held by the people of both the banks

Hypothesis of the study

1. The training and development practices are applied more significantly in ICICI as compared to PNB
2. Performance Appraisal system is more effective and systematic in ICICI as compared to PNB
3. There is significant difference in the job rotation practices between two banks

Research Methodology

For the purpose of the study the data has been collected on the basis of questionnaire which included questions on the perception of top management about its human resources and creating HRD climate in its organization. A sample of 120 respondents on random basis includes employees from both the selected banks. For the present study respondents were drawn from the various branches of the banks located at Kanpur .

Findings and Interpretations

Ho1 The training and development practices are applied more significantly in ICICI as compared to PNB

Training and development parameter	PNB		ICICI		Independent t-test	Analysis of the hypothesis testing
	Mean	S.D	Mean	S.D		
Type of Training	3.28	1.07	3.28	1.07	(t=0.116;p>0.05)	Rejected
Time frame	4.29	1.05	4.20	1.80	(t=3.046;p>0.05)	
Training Effectiveness	7.55	2.02	6.85	1.38	(t=3.096;p>0.05)	

The above results tell us that the trainings are provided by both the banks .Generally on the job method of training is provided to the people of the bank .There is a different in the time frame and training effectiveness .From the figures it is clear that the both of them are better than that of ICICI bank.The first hypothesis are applied more significantly and effectively in ICICI as compared to the PNB public sector bank.

HO2 :The performance appraisal system in more effective in ICICC as compared to the SBI

Performance appraisal dimensions	PNB		ICICI		Independent t-test	Analysis of the hypothesis testing
	Mean	S.D	Mean	S.D		
Proper adoption fo the PA System	1.03	.31	1.00	0.00	(t=1.42;p>0.05)	Rejected
Time frame of PA	3.49	1.03	1.95	.90	(t=11.20;p<0.01)	

Methods of performance Appraisal	1.56	1.26	1.25	.76	(t=1.96;p>0.05)	
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The above results tell us that the performance appraisal is adopted in both the banks. However, there exists a difference in the time frame of the performance appraisal. It is done annually in the PNB whereas in the case of ICICI it is done by the supervisors on monthly and quarterly basis. Thus our second hypothesis is more effective in ICICI as compared to PNB.

H₀₃ There exists a significant difference in job rotation between PNB and ICICI

Job Rotation dimensions	PNB		ICICI		Independent t-test	Analysis of the hypothesis testing
	Mean	S.D	Mean	S.D		
Acceptance of job rotation	1.03	.37	3.28	1.00	(t=0.880;p>0.05)	Accepted
participation in the process	1.01	.15	4.20	.15	(t=.106;p>0.05)	
Merits of job rotation	3.55	1.42	4.50	1.30	(t=5.40;p<0.05)	

From the above table it is clear that both the banks have adopted the job rotation method. However, ICICI employees reap more benefits in comparison to the PNB people. The third hypothesis is accepted.

Limitation of the study

One of the biggest drawback of the study was that people were little less interested in answering as they were overloaded with work.

People were skeptical about the security issues hence never wanted to share much information

HRD cell of both the banks were non co-operative

Conclusion

From the analysis done it is clear that the PNB employees showed positive perceptions towards the training and development undertook by their organizations. PNB employees showed the positive response towards the performance appraisal practices as adopted by the organizations. Both the banks have shown interest towards the job rotation practices as initiated by the companies.

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