

Banks assignment

[Finance](#), [Banks](#)



Management of human resources, adaptation to any kind of change and effective functioning of banks are possible only when human resources are developed. Thus, HARD facilitated for all round development of banks in addition to allowing them to be dynamic and responsive to the environmental changes. The study on Human Resource Development in Banks, under present economic scenario in the country is essential to understand banks present HARD philosophy, practice and outcome with a view to offer suggestions for formulation of right philosophy and practice of HARD in Banks.

The present study has been undertaken in view of the absence of systematic studied on the subject. Nationalization has changed the complexion and dimensions of Commercial Banking in India. It helped to hasten the pace of geographical and functional diversification. The new dimensions have placed the varying responsibilities on the shoulders of commercial banks such as expansion of branch offices to unbaked and remote rural areas on a massive scale so as to cover small scale sector, cottage and rural industries, self employed persons, artisans, weaker sections of the society, small traders and other persons of small meaner.

The study covers all the important areas of human resource development in banks. These areas include conceptual clarification about human resource and human resource development in banks, essentials of HARD, the sub-system of human resource development like performance appraisal, training, management development, career planning and development, organization development, participative management, quality circles etc. These primary areas of human resources development will be studied thoroughly to the

maximum extent through the means of discussion, interviews, reports, accounts, observations etc.

Key Words: Dimension, conceptual, career planning. Twenty-first century HR is emerging to uniquely combine activities and processes of human resource management (HRM), human resource development (HRD), and organizational development (ODD), three fields that "grew up" distinct from each other. Contributing strategically to organizations demands that HRM, HRD and ODD coordinate, partner and think innovative about how they relate and how they do impacts people and organizations. The primary apprehension of the bank should be to bring in proper integration of human resource management strategies with the business strategies.

It should foster cohesive team work and create commitment to improve the efficiency of its human capital. More than operational skills today are banking call for these 'soft skills' to attend the needs and requirements of the customers at the counter. Banks have to understand that the capital and technology- considered to be the most important pillars of banking are replicable, but not human capital, which needs to be viewed as a valuable resource for the achievement of competitive advantage. The long-term vision for India's banking system is to ransom itself from being a domestic one to the global level may sound far-fetched at present.

To take up this industry to the heights of international excellence requires combination of new technologies, better processes of credit and risk appraisal, treasury management, product diversification, internal control, external regulations and human resources at the most. The main challenges

faced by Banks in our country are the role played by financial instrumentation in different phases of business cycle, the emerging compulsions of the new prudential norms and benchmarking the Indian financial system against international standards and best practices.

There is a need for introduction of new technology, skill building and intellectual capital formation. The most important need in this service industry is naturally the HRD. During the early phase of banking development in India after independence, opportunities for employment of the educated man-power were relatively limited. This sector was the preferred employer for the educated persons in the country in addition to civil services. In recent years, this position has changed dramatically. Certain rigidities have also developed in HRD within the banking system as this system is public sector.

Its hierarchical structure gives preference to seniority over performance, and it is not the best environment for attracting the best talent from among
Volume 2, Issue 1, January 2013 page 218 (JAIME) Web Site: www.jaime.org
Org Email: Volume 2, Issue 1, January 2013 SINS 2319 - 4847 the young.
How well Challenges are met will mainly depend on the extent to which the banks leverage their primary assets I. E. , HRD in the context of the changing economic & business environment. It is expected that the Indian banking and finance system will be globally competitive.

For this the market players will have to be financially strong and operationally efficient. Capital would be a key factor in building a successful institution. The banking and finance system will improve competitiveness

through a process of consolidation, either through mergers and acquisitions through strategic alliances. Indian Banking system NAS played a crucial role in the socio-economic development to the country. The system is expected to continue to be sensitive to the growth and development needs of all the segments of the society.

Besides practicing HER in different units it is also a mammoth task for the banks to face the central and outer challenges. In different way the HER department sales, finance and manufacture the strategic over time to achieve its ultimate objectives. Monitoring as well as changing the strategy also permits the business to cope up with the current demand. 2. EARLIER STUDIES Human resource development is a process through which employees in an organization are assisted to realize their full potential for their present and future jobs.

It involves long term perspective which visualizes change through involvement ND ownership of such change by the participants. HARD believes that individual in an organization have unlimited potential for growth and development and that their potential can be built through appropriate and systematic efforts. The abbreviation HARD denoting, “ Human Resources development” is creation of western countries; they treat and deal human force as resource. Resources are explored, exploited and discarded after their use.

Continuous use of resources make them weak and futile, they decay with time. However, human beings become wiser, stronger and grow from within each challenge / problem encountered. Wisdom and strength in human

beings appreciated with time but use of resource always make them weak, futile and depreciate. D. V. Raman Murphy has discussed in this article on “ Human Factor in Banks,” the significance of human factor and trade unions in the banks. S. R.

Varied in his paper on “ Manpower Planning” at the level of an Indian commercial bank dealt with the aspects like basic structure of manpower planning, linkage of manpower plan to other plans, interrelationship of various manpower functions, objectives of manpower planning in Indian commercial banks, anatomy of manpower plans and sequences of manpower planning. N. R. Seth discussed growth, functioning and progress of trade unions in Indian banks. P. Scuba Oar, have discussed the role of counseling, performance counseling and action planning in his paper on “ Bank Branch Manager as a Counselor. ” T. V.

Oar, in his book on “ The HARD Machinery’ explained HARD instruments, processes and outcomes, HARD Departments and their tasks, structuring the HARD function, qualities, and competence requirement of HARD managers, developing HARD managers, traps and temptations of HARD mangers and HARD instruments”. Balder R. Sahara in his study on “ Human Resource Management in Banking Industry’ studied managerial beliefs, work technology and organizational climate. P. Mamas in his paper ‘ Organization culture base for effective HARM in Banks” studied HARD related areas in brief in addition to various issues related to human resource management.

T. P. Raman in his paper on “ HARD in State Bank of India” explained the practice of HARD and various techniques of HARD in State Bank of India. His

paper is mostly based on his work experience in the bank rather than a study. R. K. Augural. In his paper on "HARD" in State Bank of Patella" explained the objective ND structure of HARD department, HARD climate and various techniques of HARD in the Bank. This paper also suffers from the same limitations of the T. P. Roman's paper. The recent emphasis on human resource management, e. G.

Storey (1992), Darlington and Tan Cheek Haute), suggests that not only is the management to labor being given more attention, but that the issues discussed are broader and more strategic as well as tactical (see also Wilkinson & Marching, 1994). Miller (borrowing from Porter (1995) defines strategic human resource management as those decisions and actions which concern the management of employees at all levels in the business and which are related to the implementation of strategies directed towards creating and sustaining competitive advantage. (1987, p. 352) .

Thus, unlike the traditional peripheral function of many personnel managers, the newer style of human resource managers attempts to: ' relate personnel practices to beliefs, to link each and every process of the recruitment, induction, training, appraisal rewarding of individuals to an overall set of articulated beliefs of organization' (Hunt, 1984, p. 16) Krishna and Oar 1997) carried out a comprehensive empirical study Organizational and HARD Climate in BELL: An Empirical Study, and found that HARD climate in the organization encouraged middle and senior managers to experiment with new methods and try out creative ideas.

Sahara and Paola Prang (2000) in their study Value Institutionalizing and HARD Climate: A Case Study of a Navigate public sector organization, found a positive relationship between value institutionalizing and HARD climate in a large public sector organization, meaning thereby that a better and more ethical environment of the organization shall lead to a better HARD climate for the organization. Page 219 volume 2, Issue 1, January 2013 SINS 2319 - 4847

3. OBJECTIVES OF THE STUDY

1. TO enquire into the HARD philosophy of banks
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To study the organizational and HARD climate in the banks

3. To enquire into the practices of various HARD techniques, and
4. To study the outcomes of human resource development for the banks, individual employees, groups and the society at large in both private as well as public sector banks. In the fulfillment of these objectives, a close study is made on all important areas of human resource development in banks. The position prior to nationalization is also studied with a view to appraise the changes better.

RESEARCH METHODOLOGY It is very difficult to appreciate and understand the human resources development unless recourse is made to the interview method. Interviews and discussions will be organized with the selected representatives of management of various Commercial Banks, Staff Training Colleges, Indian Institute of Banker, Bombay; National Institute of Bank Management, Pun; Indian Bank Association, Bombay; Banking Service Recruitment Boards, Trade Unions and with employees of various commercial banks.

A separate questionnaire will be prepared for this purpose to draw upon their rich personal opinions, experiences etc, which cannot find a place in the reports and records. Interviews will also be conducted with the trainees who underwent training and management development programme, their superior, subordinates and peers in order to ascertain the impact of these programme on Job performance and behavior. Another method that will be adopted for this study is the collection of secondary data from various public sector banks and private sector banks.

Various appropriate statistical techniques will be employed for analyzing the data. The statistical analysis and data will be supplemented by the information collected through interviews and personal observation so as to derive effective and meaningful conclusions. The data and information will be collected from various sources. Factual data will be collected from the annual reports of the banks; staff training colleges, house magazines and other records of the banks, reports and other records of the trade unions.

The study warrants a number of trips to the head office, regional offices, branch offices and staff training colleges of respondent Public Sector Banks and Private Sector Banks and National Institute of Bank Management, Pune; Indian Institute of Bankers, Bombay; and Indian Banks' Association, Bombay. During these visits, libraries of all banks and various banking institutions will be used to go through a number of relevant reports and books. In order to study the face of HER practice in today's scenario in Indian Banks we need to know the challenges which our banking industry is facing. . CHALLENGES FACED BY BANKING INDUSTRY Here are the ten challenges that the HER

function in India faces: 1. The first and foremost challenge that HER function in India faces is to convert the abundant population pool into useful human resource. 2. Training and development of human resource to match ever changing industry demands requires HER to develop new and innovative ideas that suit individual as well as industry criteria. Employee motivation and satisfaction is another area of concern for the HER today.

In order to reduce attrition, HER needs to realize that monetary needs are not the only drive for an individual and that a sense of belongingness must be imbibed in employees. With the increase in number of job options available nowadays, the HER function of an organization must take care that they hire those people who believe in long-term commitment to the organization. The HER then must take up the challenge of retaining them by developing retention techniques like Holiday plans fun-at-work etc.

Because of cutthroat competition, HER in India also faces the task of building competitive advantage for the company over national and international competitors. The growing importance that companies are nowadays giving to cost-cutting has posed HER with the challenge to minimize expenditure on HER not compromising on the productivity. 3. 4. 5. 6. Volume 2, Issue 1, January age 220 Volume 2, Issue 1, January 2013 SINS 2319 - 4847 7.

Since right-sizing has been a growing trend in Indian organization, the HER now faces the task of identifying and retaining the key employees of an organization and letting go those that do not suit its future requirements. HER also faces the challenge of creating a balanced organization that originates from mergers and acquisitions. HER needs to assimilate those

policies that are mutually agreeable to the companies being merged as well as profitable for the new organization. Globalization poses HR with challenges such as expatriation and repatriation.

HR needs to train employees that leave their nation for fulfilling a foreign assignment. It also needs to provide such employees with adequate moral support and assure them of job security on their return. 8. 9. 10. With multinational organizations on the rise, HR needs to focus on issues such as cross-cultural training so that problems that can arise because of differences in international professional values can be diminished. The banking sector has been growing at a very fast pace in India not only in the terms of its size but also in terms of the services being provided.

With banks reaching the remote areas in the country one can anticipate positive things like financial aid to farmers and increased financial awareness. However, with the increase in size and activities of banks, the number of banks in private sectors has also increased thereby posing challenges like cost-efficiency, technological advancement, and credibility related issues. The task before the HR is to develop strategies that help banks in gaining competitive advantage and encourage innovation in its products and services.

Considering the above HR challenges which our Indian banking industry is facing, we can manage the human resources by proper Planning like 0 Hiring the right person for the right job 0 Retaining and Developing 0 Managing people/ conducting exit interviews HIRING THE RIGHT PERSON FOR THE RIGHT JOB In assessing whether the “right person” has been selected for

the “right Job”, the most prominent theoretical concept that emerges is the concept of “fit”. Different writers emphasize different types of fit.

Sedgwick (2004: 179) in a review of literature on person-environment fit discusses two types of fit that emerge as the most prominent types of fit: personnel fit and person-organization fit. In pursuing person-job fit, companies seek to match the holder's knowledge, skills and abilities to the requirements of the job. Companies can ascertain person-organization fit by focusing on how well the individual fits with the culture or values of the company and the individual's capacity to work well with other company employees.

Banks will have to plan for the following: A steady, carefully calibrated recruitment program, As rapid technological changes transform business - continuous skill up-gradation. A new generation of the workforce will be working alongside an older generation as a team. Banking, in my opinion is a team work and this new situation will require cultural adjustments and therefore, change management.

RETAINING AND DEVELOPING EMPLOYEES we may be able to get the most suited people for our work but then the challenge is to retain these people and to develop them. There are several dimensions to this issue such as training/ re- training of employees, performance measurement, promotion policy, transfer policy, talent management, communication, etc. I will like to discuss some of them: **TRAINING AND DEVELOPMENT** With drastic growth of banks it calls for efficient and well trained staff members to handle/deal with the consumer needs.

Banks are shaping up as financial hub for their clients to grow in size and well recognized in the world market. To pull consumers banks are offering traditional with advance services like SMS banking, ATM, internet banking, page 221 Volume 2, Issue 1, January 2013 SINS 2319 – 4847 priority banking, edema. So we can say that it caters to the need of the bottom to the highest class of society providing something to everyone. Universal banks have become modern days supermarket extending almost every facility of banking under one roof.

Banks like Bank of Abroad are conducting Grooming and etiquette programmer for front-line employees and also for employees selected for overseas posting in order to improve their service levels and qualitative interaction with customers and various stakeholders better. SEED (Self efficiency and effectiveness development) programmer being run for frontline staff of the Bank in order to improve their service skills and servicing efficiency. In Punjab National Bank, in the light of the large scale human resources gaps that Bank is likely to face in the next few years need for Succession Policy has en felt.

The Policy envisages mapping of the ‘ existing pool’ against the ‘ future requirement’ from the projected business figure to ensure that adequate number of officials are available in the pool and also to foresee the surplus / deficit in the pool for ascertaining the requirement of succession in a particular vertical. Bank has a three tier training set up comprising of Central Staff College (SC) at Delhi at apex level catering to training needs of Top /

Senior / Middle Management Grade officers, three Regional Staff Colleges (Rocs) located at Belabor-Nava Mambas, Locknut and

Punctual for training needs of Senior / Middle [Junior Management officers as well as workman sat TTT and seven Zonal Training Centers (Zits) at Durance, New Jasper, Kola, Sheikdom, Lithuania and Patina looking after the training needs of Middle / Junior Management Grade officers & Workman Staff. IT Training Centre located at Abridged caters to the training needs of officers exclusively in the areas of Information Technology. PERFORMANCE MANAGEMENT Banking service is one sector where a great degree of attention is being paid to performance appraisal system.

Several of the nationalized banks have changed their performance appraisal system or are in the process of changing them. In most of the banks that follows the traditional system, their officers are being assessed on the following characteristics: General Intelligence 0 Job Knowledge 0 Initiative and resourcefulness 0 Supervision Business Capacity 0 Ability to assess sound 0 Business propositions 0 Dependability Relationship with Junior & senior colleagues 0 Relationship with public 0 Conduct, manners, Managerial ability 0 Failures that attracted issue of warning by superiors

Several of the banks also have self appraisal as a part of performance appraisal, although mostly such self appraisal is more of a communication of achievements. A fair, transparent and objective mechanism for performance management is a must for all banks because an effective Performance Management System is the key to talent management and succession planning. RIB is shortly going to introduce a new Performance Management

System that will work on goal setting, potential appraisal of performers and developing a talent pipeline.

With all these changes we are also going to face major challenges on the Talent Management front. In coming times, the work force will get complex and there will be a need to Juggle a wide variety of people with varied needs and preferences, resulting in an array of relationships between the organization and those who work for it. Peter Trucker had, more than a decade ago, page 222 Volume 2, Issue 1, January 2013 SINS 2319 - 4847 expressed the need for what he called " non-traditional" work relations: flexible schedules, contract arrangements, virtual teams, etc.

SYSTEMS/PROCESS The effectiveness of any efficient HER system/ process is that it should be objective and transparent. These traits are essential for the manpower to repose trust in the organization's systems/ processes. No HER function can be effective if it does not enjoy the trust and confidence of its constituents. Two key stakeholders in the HER management process are Board/ Senior Management and Unions. How much time do Board members spend on HER related issues?

Structurally, it is important that Board/ senior management is actively involved in HER matters involving all its manifestations. Organized employee unions are an important part of the democratic process and form an effective channel for communicating with employees down the line. It is important to involve them in the HER process without allowing them to have an overbearing influence. HARD climate in an organization is reflected by its

role, clarity, openness, trust, teamwork, proactive orientation, planning to development to every employee etc .

HARD climate and processes are dependent on personal policies, top management styles, investments on HARD, top management commitments, line manager's interest, previous culture, etc. To sum up the relationship between human resource development mechanism and human resource development processes and climate can be explained as HARD exchanges are most useful instruments to develop a healthy HARD climate. 0 HARD instruments are used to develop desired Human resource development processes.