
Human Resource Development Climate in Banks

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Abstract

Today the banking sector is playing a vital role in the development of economy of any country. Being an industry, performance is highly dependent on the skill and competencies of employees. So it is very important to study on human resource development climate. Human Resource development climate study assesses its subcomponents like General climate HRD mechanism and OCTAPAC culture. General climate is support of top management for development of employees .HRD mechanism encompasses within itself training and development, performance appraisal ,potential appraisal, career planning. Rewards and employee welfare practices, and OCTAPAC culture means openness, confrontation, trust, authenticity, proactivity, autonomy and collaboration etc. The study reveals that there exists an average HRD climate in banks.

Key points – HRD climate, HRD mechanism and OCTAPAC culture

1. Introduction :

According to Prof. T. V. Rao (1987), HRD is a process, by which the employees of an organization are helped in a continuous and planned way (1) acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles (2) develop their general capabilities as individuals and discover and exploit their own inner potentialities for their own and organizational development purposes- (3) develop an organizational culture in which superior subordinate relationships, team work and collaboration among sub units are strong and contribute to the professional wellbeing, motivations and pride of employees. HRD may be defined as development of people by providing the right convergent where each individual may grow to his fullest potentialities. It is the total knowledge, skill, creativity, ability, talent and aptitude of an organization's work force as well as the values, attitudes and belief of the people involved. Yussuf and Kasim (2003) revealed that the role of HRD is crucial, in promoting and sustaining growth and in particular education and training, contributes significantly to economic development in terms of increased worker productivity and income. The economy becomes more productive, innovative and competitive through the existence of more skilled human capability. Yorks (2005) defined HRD as both an organizational role and a field of professional practice. The fundamental purpose of HRD is to contribute to both longterm strategic performance and more immediate performance improvement through ensuring that organizational members

have access to resources for developing their capacity for performance and for making meaning of their experience in the context of the organization's strategic needs and the requirement of their jobs. According to Schmidt (2007), Training is one of the most important functions that directly contribute to the development of human resource. Training is a set of planned activities on the part of an organization to increase the job knowledge and skills or to modify the attitudes and social behavior of its members in ways consistent with the goals of the organization and the requirement of the job. Mohamad *et al.* (2009) research found that incentives are positively related to organizational performance, but did not moderate the relationship between both human resource development and organizational performance.

2. HRD Climate- A Review of Literature :

Mishra & Bhardwaj (2002) carried out a HRD climate survey in a private sector undertaking in India and concluded that the HRD climate in that organization was good.

The study conducted by Hassan, Hashim & Ismail(2006) to compare between ISO and non-ISO certified companies to find out the relationship of ISO certification and HRD system. The study was conducted in eight organizations, four of them were ISO certified and the questionnaire designed with four mechanisms like career system, work planning system, self renewal system and HRD system. They found that ISO certified companies obtained higher mean on some HRD variables and also

found that the quality orientation was predicted by developmental mechanism like career planning, performance guidance and development, role efficacy and reward and recognition system

Krishnaveni & Ramkumar in their study (2006) titled "Impact of developmental climate on individual's behavior in organizations" found that HRD Climate is positively associated with the level of role satisfaction of individuals in the organization.

M. Srimannarayana (2009) conducted a study in Human Resource Development in manufacturing sector and found that OCTAPAC culture has been more prevalent than HRD Mechanisms and general HRD climate and a moderate HRD climates has been prevalent in the organizations surveyed. He suggested that the organization may introduce fair employee welfare programmes and reward systems to improve employee satisfaction levels and subsequently to gain advantage from the satisfied workers to increase productivity

Mariyappan(2010) made a study on HRD climate in Erode District Co-operative Milk Producers Union Ltd. in Tamilnadu under NDDDB and tried to analyse the impact of HRD climate on job satisfaction and concluded that HRD climate was influenced by multi-dimensional climatic factors in general. The study emphasized on top management role by practising developmental mechanism to enhance the physical, mental and emotional capabilities of employees for creating and maintaining a productive HRD climate.

Benzamin & David(2012) in their study conducted in Nigerain banks, focusing on influence on HRD climate of employees attitude for organizational commitment and found that the HRD climate positively correlates with employee commitment, especially the affective

component. The study also found that OCTAPAC culture has influence create positive organisation culture.

Mohanty & Sahoo(2012) carried out Human Resource Development climate survey in IT industry in India and concluded that the moderate HRD climate was prevailing in the IT organizations. The study also revealed that among the components of HRD climate, OCTAPAC culture was found more prevalent than the HRD mechanism and general climate.

Mittal(2013) conducted a comparative study on HRD climate in public and private sector banks and found that HRD climate of public sector bank was better than the private sector bank .

3. Objectives and Scope of Study :

- ♦ To study the extent of HRD climate prevailing in banking sector.
- ♦ To study the best component of HRD climate prevailing in Banks

The study is limited to three leading public sector banks and three leading private sector banks that have regional training centers in Bhubaneswar.

4. Research Method :

An empirical study based on descriptive research design was undertaken with the help of a structured questionnaire to study the HRD climate of executives in banking sector. Sample Organizations were State Bank Of India, Allahabad Bank, Uco Bank, HDFC Bank, Axis Bank and ICICI Bank. The Questionnaire was developed by Rao and Abraham (1986) at centre for HRD, XLRI, India. It consists of 38 questions on a 5 point scale ranging from 5 (Always almost true) to 1 (Not at all true). 300 usable responses have been received. The data were analyzed quantitatively using mean score with the help of SPSS.

Table 1: Statements of General Climate

Sl. No	Statement	Mean	Std. Deviation	Analysis N
1	The top management of this organization goes out of its way to make sure that employees enjoy their work.	3.03	1.124	300
2	The top management believes that human resources are an extremely important resource and that they have to be treated more humanly.	3.62	1.036	300
3	Development of the subordinates is seen as an important part of their job by the managers/officers here.	3.50	.927	300
4	The personnel policies in this organization facilitate employee development.	3.36	1.078	300
5	The top management is willing to invest a considerable part of their time and other resources to ensure the development of employees.	3.35	.979	300
6	Senior officers/executives in this organization take active interest in their juniors and help them learn their job.	3.43	1.047	300
7	People lacking competence in doing their jobs are helped to acquire competence rather than being left unattended	3.34	.931	300
8	Managers in this organization believe that employee behavior can be changed and people can be developed at any stage of their life.	3.63	1.022	300
9	People in this organization are helpful to each other	3.58	1.026	300
10	Employees in this organization are very informal and do not hesitate to discuss their personal problems with their supervisors.	3.04	1.212	300
11	The psychological climate in this organization is very conducive to any employee interested in developing himself by acquiring new knowledge and skills.	3.38	1.048	300
12	Seniors guide their juniors and prepare them for future responsibilities/roles they are likely to take up.	3.63	.995	300
13	The top management of this organization makes efforts to identify and utilize the potential of the employees.	3.54	.989	300
OVERALL		3.418	1.032	300

To assess the general HRD climate prevailing in banks 13 items were identified from the questionnaire. By calculating responses of employees the mean score is 3.418 on a five points scale. So it shows that average general HRD climate is prevailing in Banks under study. The top management believes that human recourse is

extremely important resource and they should be treated more humanly (3.62) .Managers believe people can be developed at any stage of their life (3.63). Seniors guide their juniors and prepare them for future responsibilities they are likely to take up.

Table 2 : Statements of HRD Mechanisms

For assessing HRD Mechanism 15 items were identified from the questionnaire. Analysis of responses indicates that moderate HRD mechanism is prevalent in the Banks. The overall mean score on job rotation in this organization facilitate employee development

is 3.70, In the banks there is reward system for any good work done or any contribution made by employees (Mean score: 3.60) Also employees take feedback seriously and implement for their development (mean: 3.57)

Table 3: Statement of OCTAPAC Culture

Sl. No	Statement	Mean	Std. Deviation	Analysis N
1	People trust each other in this organization	3.70	.915	300
2	Employees are not afraid to express or discuss their feelings with their superiors	3.44	.971	300
3	Employees are not afraid to express or discuss their feelings with their subordinates	3.40	1.047	300
4	Employees are encouraged to take initiative and do things on their own without having to wait for instructions from supervisors	3.12	.926	300
5	Delegation of authority to encourage juniors to develop handling higher responsibilities is quite common in this organization	3.43	.924	300
6	When seniors delegate authority to juniors, the juniors use it as an opportunity for development	3.50	.934	300
7	Team spirit is of high order in this organization	3.76	.942	300
8	When problems arise people discuss these problems openly and try to solve them rather than keep accusing each other behind the back	3.43	1.021	300
9	Career opportunities are pointed out to juniors by senior officers in the organization	3.65	.907	300
10	The organization's future plans are made known to the managerial staff to help them develop their juniors and prepare them for future	3.57	.988	300
OVERALL		3.5	0.9575	300

For assessment of OCTAPAC culture 10 questions are used from questionnaire. The OCTAPAC shows culture like openness, confrontation, trust, autonomy, proactivity, authenticity and collaboration. By data analysis of employees it reveals that team spirit within the organization is high i.e. (Mean :3.76) The overall OCTAPAC culture in the organization under study is moderate i.e. (Mean:3.5).

5. Conclusion :

HRD is about the advancement of knowledge, skill, competencies and improved behavior of people both for the personal and professional use. Well developed and well implemented HRD systems are integral to company's strategic plan and beneficial to both the employee and the company. HRD facilitate competitive advantage by helping the organisation cope with major organizational changes driven by increasing the competitive market and turbulent business environments. it is not only training for operational skills but also includes behavioral skills as it ultimately aim to create an enabling culture where in the capabilities are "acquired, sharpened and used". Organizational climate as a relatively enduring quality of a organisation's internal environment. It distinguishes from other organisations in terms of behavior and policies services. The ultimate goal of human resource development in any country to improve the quality of life of its entire people. HRD is used as supporting business strategy.It is found that moderate HRD climate was prevailing in the banks. It is also found that OCTAPAC CULTURE is more prevalent than HRD MECHANISIM and GENERAL HRD CLIMATE in the banks.

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