

Banking Sector and Human Resource Development: An Overview in Indian Perspective

Rubina Parvin^{1*} Dr. Rajesh Sharma²

¹ Research Scholar, Department of Management, Sri Satya Sai University of Technology & Medical Sciences, Sehore, M.P.

² Research Guide, Department of Management, Sri Satya Sai University of Technology & Medical Sciences, Sehore, M.P.

Abstract – In any organization, Human Resource Development plays a critical role because it is now recognized as part of the modern management structure. In banks, HRD is a must for employees' overall growth. The overall banking sector situation in India has been modified by globalization, liberalization and privatization. So, the current scenario of HRD activities in Indian Banks needs to be examined. The paper highlights HRD principles and their relevance in the banking sector.

Key Words – HRD, Banking, Philosophy, Components, Challenges

-----X-----

1. INTRODUCTION TO HUMAN RESOURCE DEVELOPMENT

This segment discusses the roots and the philosophical structure of the creation of human resources (HRD) utilizing the principles, meaning, context, elements and theory of the production of human resources. The aims and sense of HRD are illustrated in this portion. The researchers have sought to achieve a better understanding of the implications of HRD globalization and the role of government in HRD policy and also of the results of human resources growth.

HRD is a concept that is synonymous with the development of the company, meaning therefore every entity should only expand to such an degree that its workers will do so. HRD is not only a coping strategy but a pro-active attitude to human beings that focuses on making the best of human capital and eliminating waste such as intelligence, talent, experience and capacity (Wang, 2002). The HRD has been developed for every enterprise by the ingenuity of its strategies or subsystems, which involves future forecasts, performance evaluations, carry out job preparation, training & growth, organizational progress, staff safety steps, quality of life etc. (Nonaka, 1994) The progress of the working groups and people is at the core of the HRD strategy, and the aim of these days is to boost workers' engagement in achieving organisation's goals. HRD is a philosophy which represents a

political, democratic and humanistic perspective on people management. Effective human resources planning plans are necessary to allow the labor force to carry out the current business scenario in a coordinated manner and to leverage its ability to execute tasks and accomplish the goals of the company (Seth 1988).

With rapid market trends leading to globalization, liberalisation, technical advances, growing employee and consumer demands and improvements to management processes, the awareness of human resources growth has become important (Putnam, 1993). HRD is an integrated structured learning method that seeks to meet corporate goals and allows individuals to expand and improve their careers. HRD discovers and polishes the latent ability and skills of staff to meet economic obstacles.

2. CHALLENGES FACED BY BANKING SECTOR

1. A significant challenge faced by the banking industry in India is shifting the demographic of the workforce.
2. Competing in the global economy because of the opening up of private and international businesses to the banking sector.

3. The rising disparity in the skill gap between new and old workers.
4. HR has been challenged by the rising importance that businesses nowadays offer to cost-cutting to minimise HR spending without losing productivity.
5. After mergers and acquisitions, a balanced company is also a big challenge.
6. To develop an organisational learning culture.

3. KEY AIMS OF HUMAN RESOURCE DEVELOPMENT

As a workplace improvement process, HRD seeks to optimize the engagement rates amongst workers when they contribute substantially to the achievement of organizational objectives. HRD allows people to recognize the function of the assigned task and its planned results. It lets them improve their capacity for possible future employment and allows them to build their talents through personalities, abilities and expertise. HRD also offers the company a positive atmosphere that contributes to innovation, transparency and risk taking among management and staff, trust and honesty, teamwork and sense of ownership. The key goal of HRD is to train productive workers in reaction to organizational challenges and societal, economic and technical developments within any organization. "HRD will, therefore, rely more on corporate environment conditions" (Rao 1992). HRD's key targets are as follows:

- Provide human resources with tools and extensive structure to improve their capacity and growing their expertise.
- Preparation of HR strategies and procedures for the general advancement of human capital and maintain effective organization.
- Application of human capital to the optimum degree for employee and corporate goals.
- Create a committed, engaged workforce to accomplish the objective and enhance employee and operational efficiency of the company.
- To support staff in the understanding and appreciation of their actual and future position capabilities.
- Create and support a responsive and adaptive organizational climate for organizational changes and competitive environments.

- Developing team spirit, constructive thinking, cooperation in order to improve employees' overall personalities and the corporate culture.
- Establish complex interpersonal interactions and a structured human resources management network.
- Strengthening and evolving the atmosphere of the company, maximizing operational performance.
- To humanize an organization's function.
- Achieve a good efficiency and high income standard work; (Megginson, 1993).

4. HUMAN RESOURCE DEVELOPMENT COMPONENTS

Human Resource Development is categorized into three main fields of HRD: employee (personal), job (professional) and organizational growth. The importance of each aspect may vary from organisation to organisation, based on the scope of company processes, the criticality of human capital to corporate competency, and the contribution of the institution to improving human resources (Megginson et al, 1993). Since employee performance is at the heart of an HRD programme. Any of the HRD components are listed below.

► **Performance Appraisal:** Performance evaluation is a systematic method for measuring and analyzing employee efficiency in an company based on its expertise and the defined requirements. Performance assessments are often called regular reviews which usually arise periodically after the appraisal of the qualifications, growth which successes of workers or lack of them. Performance reviews include workplace input in the context of pay and promotions as well as firing actions in every company. A performance evaluation as it includes various assessments around the enterprise is one of the most significant factor of "performance management." This is the success evaluation in which any company will benefit from the most valuable tool than in human capital.

► **Potential Appraisal:** Capacity evaluation is a form is appraisal program that examines the human capital capacity of an entity explicitly. It assesses the ability of workers in the business, in particular the ability of those personnel who may be liable for carrying out crucial roles such as management potential or key managers that are exposed to major challenges. The constantly evolving technologies, industry trends related to an internal and external climate, diversification, globalization and modernisation, customer saturation and new consumer development

generate the need to find future human capital of the enterprise in advance, such that the company is able to work with prospective people who can carry on different roles and tasks. The ability, abilities and expertise of professional managers ought to be reviewed regularly in order to ascertain the ambition, engagement, encouragement, and organizational contribution to different styles of work (Goodson and McGee, 1991). Abilities assessment aims to prepare and improve ability, preparation and dedication individuals so that current tasks and duties can be successfully fulfilled in line with their abilities and expertise learned through training. The integration of future assessment into the HRD system is also quite necessary (Carroll, Stephan and Craig, 1982)

► **Career Planning and Development:** Over a period of time, workers or individuals in every company may become increasingly involved in their own advancement, which includes learning new knowledge and abilities contributing to continual personal growth and long term fulfillment with their professions. On the other side, organizations are interested in developing strategic human resources which include placing qualified individuals in the right place and at the right time to ensure long-term organizational effectiveness (Prasad, 1997).

Together job growth and succession preparation may help to align both employee and corporate priorities. In order to align both persons and the organisation, though, professional growth priorities must be carefully analyzed and knowledge exchanged and practical targets established. "Career preparation simply ensures that workers are encouraged to prepare their employment in terms of their skills in the sense of corporate requirements." Career preparation cannot be prevented for any company with a human-resource management program.

Employees are typically used for job preparation and professional growth reasons within the classes. The first category comprises some workers that are fresh to the company and recent graduates from professional institutions. They look forward to strengthening and enhancing their professional and management abilities. The second category of workers is those who have invested a long time in this same company and have room for more advancement, but have been employed for several years in the same place. The third category involves workers who could be overwhelmed where there is little possibility of more production. The company will take overall cautious action before preparing the role and growth of human resources.

► **Training and Development:** - Quality teaching is the essential component of every organization's performance. Training and growth programs will be built to offer workers unique talents, skills and expertise. It is a comprehensive method for acquiring the capabilities that apply directly to the job

of workers in order to successfully fulfill current and potential roles and responsibilities.

These days, workers undergo work and outside of work instruction, as well as by numerous research and improvement programs, to improve the possibility and upgrade their expertise and know-how, and it is HRD's most utilized strategy that strengthens employee confidence in the management of the job. This leads to growing the quantity and efficiency of corporate performance by developing methods of operation and enhancing information (Levy and Williams, 2004). Enterprises will also benefit from educated, experienced workers and efficient management of capital, implement innovative cost saving strategies, track efficiency, etc. Nevertheless, certain companies have still funded the entire HRD process by recruitment and provided still recruitment to workers, but even HRD is no longer equivalent to training. This is an whole process of various subsystems and techniques.

To be effective, training plans should be consistently structured according to the need for price training if there is a discrepancy between actual employee output and expected outcomes, he suggested the following definition suggesting different training needs.

Training needs = job requirements - employees' present job skills (Prasad, 1997).

► **Management Development:** Management development is required for the further development of skills, knowledge and abilities of existing employees from managerial background in certain areas. In management development programmes learning opportunities are specially designed to help employees in their growth (Rao and Pareek, 1992).

The methods of management development programmes can be classified in to two categories.

(i) **External Methods:-** Such approaches include workshops and conventions developed especially for managers by the management and educational establishments and the funding by the organization, by university, of the managers' courses in higher education institutions.

(ii) **Internal Methods:** it encompasses additional duties and power allocation among workers, such as work rotation, lobbying in higher ranks, participation of committees and boards etc.. (Rao and Pareek, 1992).

► **Quality Circle:** - Value is a limited community of workers who operate in the same or identical job sector and regularly meet on a daily

basis for around one hour a week to define themselves or for a day to address operate-related issues, contributing to better results and enhanced working conditions. (Udupa, 1986).

A professional circle is a homogeneous community of 8 to 10 individuals from the same job region driven at grassroots stage by boss or senior staff. The key aim of the groups is to address quality issues relevant to jobs. The usage of quality assurance procedures will enhance production processes inside the business or at the laboratory. It also develops employees' abilities, which also add to the self-development of employees. A well-established QC curriculum can improve leadership skills, improved morale and encouragement among workers and foster team spirit and team activity in the working group (Prasad 1997).

► **Grievance Handling:** Grievance is just a feeling of discontent or unfairness by workers or workers at work. A petition is broader than a request, because workers are expected to take redress through the necessary disciplinary measures because they believe like their desires because concerns are valid for them. Grievances by the organizations must be chosen in order to achieve the support and confidence of workers, or they may contribute to dissatisfaction or grudge by their respective workers or individuals. Grievances are divided into two groups-a grievance (for a number of employees) and a grievance (for just one employee). A proper complaint handling system is a must in order to render HRD systems accessible and successful. But grievance mechanisms function to address the issue at level, enhance fair workplace conditions, create a happier community and boost employee and corporate efficiency. (Rao and Pareek, 1992).

► **Pay & Incentive System:** pay may be specified in financial terms as wages and bonuses given to workers for work they perform with the organization. However, compensation for the use of human resources management (HR) as a tool can be used for many purposes, for the life of an enterprise, such as recruiting and retaining qualified employees, increasing and maintaining employees moral levels and satisfaction, achieving internal and external equality, awarding and promoting high performance, reducing turnover and spending. The elements of the salary program include task definition, role classification, task appraisal, pay scales and wage assessments, which may be compensated in the following methods.

- Basic wage
- Overtime pay
- Committees
- Commitment sharing, bonus, merit pay

- Share options, debentures
- Travel / meal / residential allowance.

The benefits include dental, insurance, health, holiday, leaves, retirement, taxation, etc. Technically rewards and compensation can be used in an exchangeable manner, rewards are rewards in return for a special service rendered by employees in the Organization such as wages, allowances, compensation bonuses, etc. Relevant monetary and non-monetary rewards help the organisation understand, inspire and express the ideals of the company to its workers. It directly affects employees' performance and conduct and an important part of HRD. Rewards usually include certificate of gratitude, awards, progress raises, rates in type, boss' approval, public acknowledgement, admission to the Top Management Group, certificate of distinction, exclusive right and so forth (Prasad, 1997).

► **Employee Welfare:-** Simple employee welfare means fulfilling all employee needs and needs in an organization. When an organisation meets all the desires of employees, such as work stability, anticipated compensation, a higher bonus program, advancement and career development opportunities, etc., it may be considered as management support. On the other, workers with a smaller population conduct very challenging activities in order to sustain their dedication to job and their enthusiasm for organization with the returning company, such as dental care, vacations, retirement benefits, improved working standards, etc. (Udupa, 1986).

► **Human Resource Information System:** Human Resource Information System (HRIS) is an automated framework for the processing, storing and tracking, management, dissemination and display of human resources data. A well-designed information system is essential for the development of human resources (HRD) and in order to promote the efficiency of the human resources system. HRIS offers an interface with information management and HRM. All critical details, including performance reports, preparation standards, future evaluation documents, compliance plans, achievement and rewards, etc., of all staff and organization executives should be recorded and modified to standard specific databases. HRIS has become a vital element in keeping a company profitable and successful, and the amount of organizations that store, gather and interpret information about their workers by utilizing the Human Resource Information System (HRIS) has increased considerably. "The Human Resource Information System (HRIS) is a mechanism which employs IT for the successful management of the role and application of human resources. This is a computerized system typically consisting of simple or interconnected databases which monitor employees and their information about their

employment "(Gill & Johnson, 2010). In a broad corporation, the Computerized Human Resource Information System (CHRIS) will play a vital role. It collects and retrieves information about employees who need training programs and about those who have already undergone different types of training.

► **Working Condition and Safety Measures:**

Any company has a very significant role to play in working conditions. This leads positively to workplace success and work satisfaction. Working atmosphere is the climate in which staff and workers of the company, and strengthening the work atmosphere so as to obtain positive outcomes from the staff is very necessary on the side of the organization. QWL is commonly regarded as a second requirement by workers for workplace satisfaction following earnings. In industry or organizations, low-level employees typically perform monotonous activities, particularly in developing countries like India, and in order to retain their degree of morale and work dedication the organisation should be concerned with offering other welfare benefits including disability insurance, health care, vacation and holiday, enhanced and maintained equipment. In order to have an internal focus on specific practical problems such as air ventilation and heating, external physical facilities such as food, water, security and health procedures, a versatile operating climate, etc. QWL programs. Employees of any company cannot function in a safe workplace, so the QWL is a very necessary factor of HRD.

5. HUMAN RESOURCE DEVELOPMENT PHILOSOPHY

The management ideology of a business is generally focused on the principle of senior management regarding workers. It replicates the mindset of the upper management towards an organization's human capital.

► **Philosophical and Ethical concern in HRD:**

Each company-corporation, educational, hospital etc.-seeks to employ professional staff and human capital for its activities by combining human efforts with other capital. The introduction of new and innovative practices is the main focus of HRD that facilitates the development of employee skills to achieve the objectives and objectives of the organization. HRD is accompanied by a preparation phase in order to enable workers to learn expertise, develop their efficiency and train for upcoming ventures, in a scheduled, structured and routine manner (Woodall, 2004). But HRD's philosophy in the most fundamental history of HRD planning, in accordance with which the principles, beliefs, ideals and visions are represented in organizational management, through which the employees help in their growth and development. HRD is only supported in many organizations by training &

development programs, which is not true. HRD includes all the problems and tasks of the staff that are initiated and implemented in his career, both for his development and for the development of the organization. The key goals of the HRD theory are recruiting, workforce preparation, selection, performance evaluation, training and growth, management & organization, work retention, inspiration, role turnover, welfare behavior and several more practices. All the above-mentioned tasks and function are intertwined and interdependent (Singh, 2005).

► **Human Resource Development expectations**

That is why there are many values and expectations followed about the performance of HRD systems in nearly any organization. The following are mentioned:

- i. Each person has his own personality with different skills, abilities and qualities. The organization will value each and every employee's identity and discipline & employee criticism can be prevented to protect employee trust by the organization.
- ii. The human capital of the company must be deemed the most important commodity. Working together allows it possible to coordinate, thrive, expand and evolve.
- iii. Each individual has various skills that can be unlimitedly refined and improved at any time. The company shall provide its employees with the ability to strengthen decision-making skills, gain appropriate expertise through training & development programs, increase efficiency and prepare employees for potential jobs.
- iv. Top management of the company, in order to offer its workers an impression that their enterprise is essential and valued by management and that their commitment to the corporate objectives is worthwhile, should be engaged in HRD initiatives.
- v. In order to attract workers dedicated, companies tend to devote so close consideration to the satisfaction of specific conditions of personnel, such as protective precautions and workplace health. The strategies will be implemented to better leverage workplace potentials, diverse incentives, technologies, worker satisfaction and the accomplishment of targets and corporate priorities, etc.
- vi. In the organisation, the atmosphere of team building, networking services and

- informal contact networks should be given and promoted.
- vii. Organizations need to adopt a transparent performance assessment system aimed at enhancing the quality of life, job satisfaction and employee development in order to enhance overall organizational efficiency. Employees do need to be encouraged to function individually without the bosses' interference to render them more accountable and to improve their commitment to their jobs.
- viii. The management of the organization should discover hidden potential of the employees and every manager's duty is to make the optimal use of talent.
- iv. Employees should be able to express their feelings and emotions without hesitation in organizations and workplaces with an open environment.
- x. Workers feel more comfortable and motivated in the healthy and cozy organizations.
- xi. Correct and effective contact networks will facilitate collaboration and collective activities to accomplish organizational objectives.
- xii. Each company will keep records and protect them in secure custody as sensitive information for each and every employee. Management can also take diligent measures to make documentation simple to access as necessary.
- xiii. Human rights such as the ability to join a union, the ability to an fair work climate, the right to freedom of speech, etc. should be preserved, valued and established by organisations in order to enable workers to experience a sense of belonging to the organisation. It is also the responsibility of management to obey good procedure in pay & salary administration.
- xiv. Management will also tackle non-discriminatory practices in the creation of advancement plans, workplace job preparation and dispute resolution, etc. All organisations, including community, customers, staff and others, must fulfill their corporate social responsibility and contribute to the development and wellbeing of all stakeholders xvi. Superior management would be diligent enough to establish and review HRD strategies and roles in order to maintain operational performance

- xv. That company must uphold its social responsibilities and function for the welfare and well-being of all individuals concerned, including the society, customers, staff and others, etc.
- xvi. Superior management would be extremely diligent to establish and review HRD strategies and roles to ensure operational performance (**Prasad, 1997**)

6. HUMAN RESOURCE DEVELOPMENT IN INDIAN COMPANIES

In the period of globalization, India has professional employees and world-class organisations, a multinational view of enterprise and the confidence to succeed effectively in a globalized market and the capacity to collaborate with every company, to grow and improve and support the growth of individuals, their competences and their inspiration. The perceived relation between HRD activities and productivity is the most significant explanation for increased interest in HRD in India.

In 1957, Larson & Toubro Ltd, a leader in privately-owned HRD, launched HRD through different subsystems. Career growth, success evaluation, workplace training, organizational advancement and ability appraisal. Subsequently, SBI, BHEL, IOC Ltd, T.V.S etc. started to adopt the HRD subsystems and became a leader in India's HRD program. Reliance, Wipro, Aditya Birla Group, Infosys, Ranbaxy are actually several instances of Indian firms with a great HRD. Many companies strategize their key competencies and capabilities, and continually seek to enforce corporate management strategies and HR activities in order to minimize expenses, maximize productivity, strengthen goods and services, enhance the capability of human resources, etc. They do utilize creative management techniques, approaches and procedures and HR innovations such as Complete Quality Management (TQM), collaboration, consistency circles (Q.C) and just in time (JIT) principles and business process reengineering (BPRs), to enhance their productivity and efficacy.

With expansion of information and growth at an incredibly faster pace, HRD is gaining traction in India. The key explanation for HRD is an increase of expertise and abilities and the growth of workers in order to enhance the efficiency of the company. HRD executives in manufacturing must be well informed of the facts and statistics, technologies, and technological developments in the field of companies (**Rao and Abraham, 1986**).

The role of HRD in the organization has significantly increased. The efficiency of the HRD program and management in the global market relative to domestic business now relies on the determinant of successful management of human

resources; hence it needs more focus in MNC's, therefore the cost of human errors in the environment of globalisation is rather high than in domestic industry. The dynamic existence of the HR issues found in foreign business is very relevant for businesses. In the current business situation, shifts in job demand, task background, and role quality are happening at a very fast rate, because of the rising market conditions. Such forces push management to reconsider its positions with greater responsibilities and authority and transparency (Blake, 1995) In India liberalization is an incentive for international investors to join the Indian sector. With the development of the news industry by other nations, they do have a strong share of the already developed sector that has rendered Indian producers and service providers more difficult. Liberalization presents immense obstacles to domestic businesses, which sell high-quality goods and services in India and abroad. Better technology, speed of operation, architecture, price, after sales support, expense of abundance etc .. are the few advantages that foreign entrants or newcomers may take on Indian markets with repercussions for the Indian organisation.

- Imports unbridled.
- Competition increased.
- Incentive to adapt technologies and
- educate citizens to technical innovation
- cultural and tribal hurdles to reform
- infrastructure and administration improvements at organizational stage.

7. FUTURE DIRECTIONS FOR HRD

The HRD is extremely important in dealing with environmental changes, employees' expectations and adapting with the rapid technological changes, which is why HRD deserves increased attention on the part of managers as well as academics. Any organization's progress depends on the efficiency of its HRD programs. HRD is also significant in a social sense because its unsatisfactory relationship with the family and community represents the lack of personal growth. Disaffection with work contributes to the discontent among staff that gives them a feeling of anger or withdrawal from established organisations. Good interactions lead to the creation of inclusive culture at work. Human resources are the most valuable asset for any company in terms of its growth and development experiences, and HRD managers must have a far-sighted vision of creating, identifying and executing plans in order to take advantage of current competitive prospects in future. To do so, he needs to broaden his horizons of creativity and innovation to achieve better

organizational growth and development of human resources.

8. REFERENCES

1. Prasad, L. M., (1997). *Human Resource Management*, Sultan Chand and Sons. New Delhi.
2. Rao T.V and Pereira, D.F., (1986). *Recent experiences in HRD*. Oxford and IBH publishing Co. Pvt. Ltd. Rao T.V, Pareek, (1992). *Designing and managing human resource system*. oxford & IBH publishing Co. Pvt. Ltd., New Delhi.
3. Rao V.S.P., (2005), 2nd Ed., *Human resource management*. Excel books, New Delhi.
4. Udupa S.R (1986). *Quality circles, program through participation*. McGraw-Hill publishing company limited, New Delhi
5. Carroll, S. J. Craig E. Schneier (1982). *Performance Appraisal and Review Systems: The Identification, Measurement and Development of Performance in Organizations*, Glenview, IL: Scott, Foresman.
6. Megginson, L.C., (1982). *Personnel and human resource administration*. Homewood Ill: Richard D. Irwin, p. 6
7. Gill, J., Johnson, P., (2010). *Research methods of managers*, sagc publication limited, fourth edition.

Corresponding Author

Rubina Parvin*

Research Scholar, Department of Management, Sri Satya Sai University of Technology & Medical Sciences, Sehore, M.P.