

HRD climate in selected public sector banks in India

El clima de desarrollo de recursos humanos en bancos seleccionados del sector público de la India

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ABSTRACT:

Human resource development (HRD) climate is very important for organization towards growth. Here employee perception towards HRD climate in selected public sector banks is studied where dimension of HRD climate divided into general climate, OCTAPACE culture & HRD mechanism. Data were collected from 100 employees through well-defined and structured questionnaire comprising of 38 items. Findings revealed that HRD climate in is good (average) and the perception towards the climate is not deferring significantly towards gender, qualification and designation except age.

Keywords: HRD climate, Public Sector Bank, HRD Mechanism

RESUMEN:

El clima de Desarrollo de Recursos Humanos (DRH) es muy importante para cualquier organización hacia el crecimiento y el desarrollo. En este estudio, se estudia la percepción de los empleados con respecto al clima HRD que prevalece en los bancos seleccionados del sector público. Cubre toda la dimensión del clima HRD dividido en el clima general, la cultura OCTAPACE y el mecanismo HRD. Los datos se recopilaban de 100 empleados a través de un cuestionario bien definido y estructurado que consta de 38 ítems. Los hallazgos revelaron que el clima del DRH en el banco del sector público es bueno (promedio) y que la percepción de los funcionarios respecto del clima no difería significativamente con respecto al género, la calificación y la designación, excepto la edad.

Palabras clave: Clima DRH, Banco del Sector Público, Mecanismo HRD

1. Introduction

Human Resource Development (HRD) is one of the important processes for organizational growth and sustainability. The liberalization towards banking operation is bound to create a favourable climate for the growth of the economy and banking in the State of Odisha. Banks may have to throw away the traditional banking practices and procedures and make them fit to face the technological explosion entering into the banking industry. One organization can able to meet the challenges by acquiring and utilizing valuable, scare and inimitable

resources (Barney, 1991). Human resources are categories particularly depend on effective deployment of HR practice and careful management of organizational culture (Barney and Wright, 1998). The HRD sub-system of the banking organization should be transparent and suitable for the changing need of the employees (Shweta Mittal, 2013). Venkataratnam (1999) mentioned in his study of HRD Climate that human resources potential and their skill development are two important components of HRD. Sharma and Purang (2000) in their article focus on Institutional value & HRDC on the Navaratna categories of public sector undertaking. It was observed that there is a positive relationship between two concepts. Better and more ethical environment of organization should leads better HRD climate for an organization. Chalam and Srinivas (2005) was focuses on attitude of HRD climate and Gender wise perception in Indian banking industry and tried to test HRD climate disagreement in some selected branches of State Bank of India. Vijaya Banu (2007) tried to study the HRD climate with respect to cement industries and found out that HRD climate is play significant role under new economic condition with respect to Indian PSU towards growth and development. As per the analysis of Kumar and Patnaik (2002), it was revealed that HRD climate and job satisfaction shows positive relation which in turn leads to favorable human resources practice. Lafollete & Sims (1975) in their study found that more consultative and open orientation brings positive attitude among employees towards the job. Forehand and Gilmer (1964) study was based on the perception of organization culture and satisfaction of employees. They have concluded that personality factors had great role towards satisfaction of individual's need.

1.1. Human resources development

It is a process by which the employees of an organization are helped in a planned continuous process to acquire capabilities required to perform various functions connected with their present and future roles, develop their general capabilities and hidden potentials which is needed for their own as well as for the organizational development and develop an organizational culture in which supervisor subordinate relationship, team work and link between different sub units are strong which contributes for professional well-being, strong motivation. HRD provides a strong platform for an employee to grow and play an important role for the growth of the organization. Effective HRD must be able to balance a number of considerations in order to deliver effective outcomes. According to Mclean and Mclean (2001) as "any process or activity to develop a adults' work based knowledge, expertise, productivity and satisfaction, whether for personal or group / team gains, or for the benefits of an organization, community, nations or ultimately, the whole of humanity,"

1.2. HRD climate

HRD climate is a component of the organizational climate. Joyce & Slocun jr., (1984) was discussed on Climate at level of individual is the summary of perception of the organization's work even is descriptive rather than evaluative in nature. HRD climate reveals the perceptions of the employees on the developmental environment in an organization. HRD climate has been developed by Rao and Abraham (1986). HRD climate plays vital role in ensuring competency, motivation and development of an organization (Patel, 2005).

HRD climate towards its impact on performances can be represent in following manner

- Every individual should contend Stimuli.
- Individual was performed under certain constraints.
- Reward and punishment should be attached with HRD.

HRD climate in the organization should encourage two position I.e. middle and senior managers. (Krishna and Rao, 1997)

1.3. HRD in Banks

The banks' policy makers have realized that the Human Resources or the personnel have to play a vital role for the development of banking industry. Effective utilization of the recruited

personnel is keys to the successful management in banking industry. HRD acquires special meaning industry in banking industry due to a variety of factors like a labor intensive industry. Job security, job satisfaction is quite high in the present era of competition. This apart the high quality of banking services and the objectives of banks in achieving the social and economic goal depend on involvement of the employees. The key factors for successful management in banking business depends on right and effective placement of young blood those who are recruit for these purpose (Rao, 1993). Therefore, present study tried to find out the perception of employees towards Human resources development climate in banking industry.

1.4. Objectives

The major objectives of the study are as follows

To assess the perception of junior management and middle management grade officers towards general climate of banks.

To assess the perception of junior management and middle management grade officers towards OCTAPACE culture.

To assess the perception of junior management and middle management grade officers with respect to HRD mechanism.

2. Methodology

As per the need of the study the data were collected from two selected public sector banks i.e. state bank of India (SBI) and UCO bank from twin city of Cuttack and Bhubaneswar in Odisha. The HRD climate questionnaire developed by Roa and Abraham (1985) was administered to collect data from 100 respondents (74 from SBI & 26 from UCO bank) comprising of junior management (JM) and middle management (MM) grade officers. The instruments consisting 38 questions on a 5 point scale ranging from 5 (almost always true) to 1 (not at all true) was used to measure the elements of HRD climate which has been grouped into 3 broad categories i.e. general climate, OCTAPACE culture and HRD mechanisms (Solkhe & Chaudhary, 2011). With respect to the development of employees, the general climate refers to support provided by top management. The OCTAPACE culture depicts the degree of Openness, Confrontation, trust, Autonomy, Pro-actions, Authenticity, and Collaboration and at what extent the organization promoting these values. The HRD mechanism of organization belongs to HR sub system i.e. performance appraisal, potential appraisal career planning, performance reward, feedback and counseling, employee's training, employee welfare towards better work life and job rotations. For data analysis, various statistical measures such as mean, standard deviation and t-test have been used. The reliability test was run for both SBI and UCO banks and the Cronbach's Alpha was 0.923 and 0.939 respectively.

3. Results

3.1. General climate

The perception of the respondents of both of the banks (SBI and UCO) was compared on the basis general climate by using the t-test statistic.

Hypothesis

Ho1: There is no significant difference between general climate scores of SBI and UCO Bank.

Ha1: There is significant difference between general climate scores of SBI and UCO Bank.

Table 1
Group Statistics for general climate

General climate	N	Mean	Std Deviation	Std. Error

					Mean
	SBI	74	3.0128	0.16250	0.01602
	UCO	26	1.3706	0.10409	0.12345
Hypothesis Ho1	t-test value 1.8738	Mean difference 0.07465	Std. Error difference 0.02213	Sig. .001	Result @10% Reject.

It is revealed from the Table 1 that the null hypothesis is rejected, which means that there is a significant difference between the perceived general climate of SBI and UCO bank. Thus, general climate in SBI is better as compared to UCO bank. It is because of the top management of SBI is more concerned about the development of their employees than to that of UCO bank.

3.2. OCTAPACE culture

This culture includes both receiving and giving suggestion, criticism and feedback. Trust, authenticity and autonomy is very important to enable a person / worker to execute his/her plan. Collaborating with others and experimenting with new approaches to solve problems is very vital in OCTAPACE culture. The analysis of this approach is presented in Table 2.

Hypothesis

Ho2: There is no significant difference between OCTAPACE scores of SBI and UCO Bank.

Ha2: There is significant difference between OCTAPACE scores of SBI and UCO Bank.

Table 2
Group Statistics for OCTAPACE

		Nos.	Mean	Std. Deviation	Std. Error mean
OCTAPACE	SBI	74	3.0128	.16257	0.01602
	UCO	26	1.3706	.10831	0.1234
Hypothesis Ho2	t-test Value 0.458	Mean Difference 0.0746	St. Error difference .03215	Sig. 0.231	Result Accept

It is evident from the above table that there is no significant difference between OCTAPACE scores of SBI and UCO bank. Thus, it can be stated here that perceived climate of openness, trust, authenticity, autonomy, collaboration and experimentation was the same in both of the banks.

3.3. HRD mechanism

In this section, HRD mechanism of the public sector bank has been measured which consisting of HRD sub-system such as performance appraisal, performance reward, potential appraisal, career planning, feedback and counseling, training, employee welfare and job rotation. The calculation of HRD mechanism of SBI and UCO bank is presented in Table 3.

Hypothesis

Ho3: There is no significant difference between HRD mechanism scores of SBI and UCO Bank.

Ha3: There is significant difference between HRD mechanism scores of SBI and UCO Bank.

Table 3
Group Statistics for HRD Mechanism

		N	Mean	Std. Deviation	Std. Error Mean
HRD Mechanism	SBI	74	2.8882	0.25784	0.02540
	UCO	26	1.3422	0.123638	0.01406
Hypothesis Ho3	t-test-value	Mean Difference	Std. Error Difference	Sig.	Result @10%
	1.768	0.02501	0.02501	0.041	Reject

It is found from the table that H03 IS rejected which proves that there is no significance between HRD mechanism scores of SBI and UCO banks. Thus the perceived HRD mechanism in SBI is better than UCO bank.

3.4. Overall HRD climate

The overall HRD climate of SBI and UCO bank was assessed by using 38- items of HRD climate questionnaire to know the development of the organization and the analysis presented in Table 4.

Hypothesis

Ho4: There is no significant difference between overall HRD climate scores of SBI and UCO bank.

Ha4: There is significant difference between overall HRD climate scores of SBI and UCO bank.

Table 4
Group Statistics for overall HRD climate

		N	Mean	Std Deviation	Std. Error mean
Overall HRD	SBI	74	3.1520	0.17100	0.01685
Climate	UCO	26	1.4121	0.107411	0.01176
Hypothesis Ho4	t-test Value	Mean Difference	Std Error Difference	Sig.	Result @ 10 %
	2.014	0.04983	0.02251	0.015	Reject

The above table shows that the hypothesis of overall climate is rejected. Thus, the overall climate scores of SBI and UCO bank differs significantly. Therefore the perceived climate of SBI is better than UCO bank

4. Conclusions

It is revealed from the present study that the general climate of State Bank of India is better with compare to UCO bank. Therefore, the top management of UCO bank has to be more concerned and careful for the development of their officers. As regards OCTAPACE culture both of the banks found to be at the same level whereas the HRD mechanism system is better than to that of UCO bank. So HRD sub-stems needs to be more transparent for the

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