

## **Human Resource Development in Banks - An evaluative study with special reference to HRD Climate in select public and private sector banks in Andhra Pradesh.**

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**Abstract:** Modern banking originated in India in the last decade of the 18<sup>th</sup> century, since then there has been a revolutionary changes took place with regard to offering of banking services. Banking and financial services are pivotal in the growth and development of Indian economy. Ever since the inception of economic reforms in 1991 there been a remarkable transformation in the banking sector. In a service oriented industry like banking the quality of service largely depends on creating conducive HRD climate in the banks. Human resource development practices enables the banks to build quality human resources, team work, leadership, quality of work life and motivation. In the process of adopting effective HRD, creating suitable climate for the employees to work has been the crucial factor in banking organization. The banks shall give top priority towards the development of human resources. An attempt is made in this paper to evaluate the employee perception on the HRD climate prevailing in selected public and private sector banks in Andhra Pradesh.

**Key Words:** HRD climate, Service quality, employee motivation

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### **I. INTRODUCTION**

Modern banking in India originated in the last decade of the 18<sup>th</sup> century and the largest and oldest bank which is still in existence is the State Bank of India (SBI). Reserve Bank of India (RBI) which was established in the year 1935 has been performing the central banking functions. In India the banks comes under different categories i.e., public sector banks, private sector banks, foreign banks, co-operative banks and several other Non-Banking Finance Companies(NBFC). There has been a remarkable growth and drastic transformation in the Indian banking sector since independence. The economic reforms came into being in the year 1991 with Liberalization of Industrial licensing system, Privatization of public sector organizations and Globalization as mainstay, completely changed the way of operation of banking as well as financial services in India.

Human Resource Development enables the banks to build quality managerial resources, team work, leadership, quality of work life and motivation. Creating conducive HRD climate is crucial for offering quality service in the banking organizations. In spite of cutthroat domestic as well as foreign competition, it is only through high degree of involvement and laborious tasks of the personnel several public and private sector banks are surviving in India and contributing to the national economy. The banking industry has to cope with the challenges of technology revolution and HRD dimensions by creating suitable HRD climate. Since the customer satisfaction and retention is the key factor in the success of banks, the managements of banks shall give top priority towards the development of human resources.

### **II. REVIEW OF LITERATURE**

In this section of the paper a brief review of earlier studies on HRD practices in the banking and financial services is presented. Ms. Yuvika Singh, Dr. Shart Sood(2017) in their study revealed that innovation approaches would motivate the employees in Indian banking sector to utilize their set of skills and knowledge through discretionary effort. Srinivas. L, Chalam. G.V (2008) in their study on HRD climate in SBI and Karur Vysya Bank concluded that inspite of severe domestic and foreign competition, it is only due to high involvement of personnel, several public and private sector banks are surviving. The study made it clear that the

system of appraising the performance of the human resources in the two selected banks is based on objective assessment. **Achdeva, A, Arore A.R (1988)** examined the improving employee relation climate and HRD role in “Eicher”, stated that human resource development surely helps in organization building by continuous elevating and preparing action plans to make improvements.

**Vijay Chaitanya. Ch (2018)** analyzed the HRD practices in SBI and ICICI in Andhra Pradesh, and stated that majority employees viewed that training programmes shall be periodically evaluated and improved. **Rajwinder Singh (2013)** tested in his paper the hypothesis for administration skills, competitive advantage and HRD policies. People are instrumental to develop policies and creation of suitable HRD climate is must, the study felt. **Nameerakpam A. K, Das Mahopatra (2017)** studied the career development process in SBI, and Axis bank and revealed that the antecedents of career planning and career management have a positive and significant influence on career development. Rao T.V (1999) in his book “HRD Audit” presented an extensive conceptual base of how HRD process take place in the organizations. Every organization should conduct an HRD audit to measure the quality of personnel. **Khandelwal (2005)** studied the HR reforms in public sector banks in the new era. He opined that in accordance with the managerial autonomy of the government, the HR function in banks has to **extricate** itself from the made in which it found itself over the last four to five decades, **Bhatt Prachi (2012)** revealed that banks need a paradigm shift in their operations with regard to the human resource practice.

### **III. OBJECTIVE OF THE PAPER**

The objective of this paper is to evaluate the Human Resource Development (HRD) climate in select public and private sector banks in Andhra Pradesh ie., State Bank of India (SBI). Andhra Bank, HDFC bank and ICICI bank. An attempt is also made to compare the HRD climate prevalent the select public and private sector banks.

### **IV. HYPOTHESIS OF THE STUDY**

In consonance with the objective set for this study it was hypothesized that “there exist no significant difference of opinion among the respondents of selected banks with regard to prevalent HRD climate.

The sub hypothesis with regard to the HRD climate in the selected banks are that there exists no opinion differences:

- Among the male and female responders
- Different age groups
- Different educational level groups
- Different income level groups
- Marital Status-wise groups
- Bank location-wise groups
- Designation based groups.
- Working department wise groups and
- Work experience wise groups.

### **V. METHODOLOGY AND STATISTICAL TOOLS FOR ANALYSIS**

This paper is based on an empirical analysis which contains precise measurement using structured and validated data collection instruments. The data were collected through the execution of well-structured self-administered questionnaire. Some useful information is extracted from several secondary sources and some inputs were also drawn from personal discussion with officials of the selected banks.

The population considered for this study is about 4000 employees of the four banks. A sample of 603 were picked up from the population and the bank-wise sample distribution is SBI-180; Andhra Bank -160; HDFC-131 and ICICI- 132. The convenience sampling method used in the study. The four banks opted for this study consists of 2 major public sector banks ie SBI, Andhra Bank and 2 major private sector banks i.e., HDFC bank and ICICI bank. The statistical tools used for analysis of data by SAS Software includes: Chi-Square test, Van der Waerden Two- sample test, Wilcoxon Two- sample test and krushkal wallis test.

### **VI. DATA ANALYSIS AND INTERPRETATION**

The socio-demographic profile of the respondents of selected banks is analyzed using different statistic tools to extract the opinion on prevailing HRD climate.

The testing of hypothesis framed to evaluate the HRD climate in selected banks revealed that there are no significant opinion differences among the male and female employees with regard to prevailing HRD

climate. There are significant opinion differences based on the respondents age group, educational qualification, income levels, marital status, location of the bank, designation, working department and work experience of the employees with regard to HRD climate in SBI, Andhra Bank, HDFC bank and ICICI bank in this study. The analysis based on the results of hypothesis is tabulated as follows.

**Table No.1**  
**Analysis of Variance for factor “Gender” classified by variable bank’s HRD Climate**

Gender	N	Mean
Male	322	3.70
Female	281	3.72

Source	DF	Sum of Squares	Mean Squares	F Value	Pr > F
Among	1	0.835320	0.735320	1.2139	0.2710
Within	601	364.054066	0.605747		

**Interpretation**

Summary of the ANOVA test presented in the Table 1 indicates that p-value (0.2710) is greater than 0.05 and hence the hypothesis stating “There exist no significant differences in opinion between the male and female respondents on the HRD climate prevailing in the selected banks” is accepted at 0.05 level of significance. Thus there are no significant differences among the male and female respondents as regards the HRD climate in banks.

**Table No.2**  
**Analysis of Variance for factor “Age” classified by variable bank’s HRD Climate**

Age	N	Mean
< 30	120	3.70
31-40	242	3.44
41-50	141	3.71
> 50	100	4.35

Source	DF	Sum of Squares	Mean Squares	F Value	Pr > F
Among	3	76.508876	25.502959	30.1890	<.0001
Within	599	506.021804	0.844778		

**Interpretation**

Summary of the ANOVA test presented in Table 2 indicates that p-value (<.0001) is lesser than 0.05 and hence the hypothesis stating “There exist no significant differences in opinion between the selected age groups of respondents on the HRD climate prevailing in the banks” is rejected at 0.05 level of significance. Hence there are significant differences among the respondents as per age groups on the bank HRD climate.

**Table No.3**  
**Analysis of Variance for factor “Educational Qualification” classified by variable bank’s HRD Climate**

Educational Qualification	N	Mean
Graduation	281	3.48
Professional	322	3.97

Source	DF	Sum of Squares	Mean Squares	F Value	Pr > F
Among	1	48.875697	48.875697	58.7237	<.0001
Within	601	500.212197	0.832300		

**Interpretation**

Summary of the ANOVA test presented in Table 3 indicates that the p-value (<.0001) is lesser than 0.05 so the hypothesis stating “There exist no significant differences in opinion between the selected educational qualification groups of respondents on the HRD climate prevailing in the banks” is rejected at 0.05 level of

significance. It seems there exists significant differences among the respondents educational qualification-wise groups on the bank HRD climate.

**Table No.4**  
**Analysis of Variance for factor “Monthly Income” classified by variable bank’s HRD Climate**

Monthly Income	N	Mean
< 20,000	100	3.98
20,001 – 35,000	100	3.64
35,001 – 50,000	227	3.49
> 50,000	176	3.63

Source	DF	Sum of Squares	Mean Squares	F Value	Pr > F
Among	3	71.234349	23.744783	46.8490	<.0001
Within	599	303.594839	0.506936		

**Interpretation**

The summary of the ANOVA test presented in Table 4 indicates that p-value (<.0001) is lesser than 0.05 so the hypothesis “There exist no significant differences in opinion between the selected income groups of respondents on the HRD climate prevailing in the banks” is rejected at 0.05 level of significance. It is clear that there are significant differences among the respondents selected income groups on the bank HRD climate.

**Table No.5**  
**Analysis of Variance for factor “Marital Status” classified by variable bank’s HRD Climate**

Marital Status	N	Mean
Married	503	3.76
Unmarried	100	3.49

Source	DF	Sum of Squares	Mean Squares	F Value	Pr > F
Among	1	1.171136	1.171136	1.8837	<.0001
Within	601	373.658052	0.621727		

**Interpretation**

The summary as per ANOVA test depicted in Table 5 indicates that p-value (<.0001) is lesser than 0.05 so the hypothesis stating “There exist no significant opinion differences between the married and unmarried respondents on the HRD climate prevailing in the banks” has been rejected at 0.05 level of significance. Hence it can be opined that there are significant differences among the married and unmarried respondents with regard to HRD climate in the banks.

**Table No.6**  
**Analysis of Variance for factor “Type of Bank” classified by variable bank’s HRD Climate**

Bank	N	Mean
HDFC	131	3.40
SBI	180	3.90
ICICI	132	3.48
ANDHRA BANK	160	3.92

Source	DF	Sum of Squares	Mean Squares	F Value	Pr > F
Among	3	31.437629	10.479210	18.2796	<.0001
Within	599	343.391559	0.573275		

**Interpretation**

The ANOVA test results in Table 6 indicates that p-value (<.0001) is lesser than 0.05 and hence the hypothesis stating “There exist no significant differences in opinion between the respondents of selected banks on the HRD climate prevailing in the banks” is rejected at 0.05 level of significance. So, it can be opined that there are significant differences among the respondents of selected banks regarding HRD climate issue.

**Table No.7**  
**Analysis of Variance for factor “Bank Location” classified by variable bank’s HRD Climate**

Bank Location	N	Mean
Urban	300	3.76
Semi-Urban	223	4.75
Rural	80	3.76

Source	DF	Sum of Squares	Mean Squares	F Value	Pr > F
Among	2	67.515286	33.757643	65.9085	<.0001
Within	600	307.313901	0.512190		

**Interpretation**

Summary of ANOVA test shown in Table 7 indicates that p-value (<.0001) is lesser than 0.05 and hence the hypothesis stating “There exist no significant differences in opinion between the respondents bank location on the HRD climate prevailing in the banks” is rejected at 0.05 level of significance. Thus it is clear that there are significant differences among the respondents of belonging to different bank locations on the bank HRD climate.

**Table No.8**  
**Analysis of Variance for factor “Designation” classified by variable bank’s HRD Climate**

Designation	N	Mean
Executive	322	3.89
Non-Executive	281	3.50

Source	DF	Sum of Squares	Mean Squares	F Value	Pr > F
Among	1	35.100623	35.100623	62.0951	<.0001
Within	601	339.728565	0.565272		

**Interpretation**

The ANOVA test presented in the Table 8 indicates that p-value (<.0001) is lesser than 0.05 and hence the hypothesis stating “There exist no significant differences in opinion between the respondents designation on the HRD climate prevailing in the banks” is rejected at 0.05 level of significance. So there are significant differences among the respondents designation on the bank HRD climate, we can understand.

**Table No.9**  
**Analysis of Variance for factor “Working Department” classified by variable bank’s HRD Climate**

Working Department	N	Mean
Retail Banking	101	3.58
Lending Dept.	201	3.52
Loan Operation Dept.	201	4.04
Private Banking	100	3.79

Source	DF	Sum of Squares	Mean Squares	F Value	Pr > F
Among	3	36.026370	12.008790	21.2314	<.0001
Within	599	338.802818	0.565614		

**Interpretation**

The ANOVA test results presented in Table 9 indicates that p-value (<.0001) is lesser than 0.05 and hence the hypothesis stating “There exist no significant opinion differences between the respondents working department on the HRD climate prevailing in the banks” is rejected at 0.05 level of significance. It is clear that there are significant differences among the respondents working departments on the bank HRD climate.

**Table No.10**  
**Analysis of Variance for factor “Work Experience” classified by variable bank’s HRD Climate**

Work Experience	N	Mean
Up to 5 years	160	3.82
6-10 years	201	3.84
Above 10 years	242	3.37

Source	DF	Sum of Squares	Mean Squares	F Value	Pr > F
Among	2	42.634787	21.317394	38.5029	<.0001
Within	600	332.194400	0.553657		

**Interpretation**

The ANOVA test result shown in Table 10 indicates that p-value (<.0001) is lesser than 0.05 and hence the hypothesis stating “There exist no significant differences in opinion between the respondents work experience on the HRD climate prevailing in the banks” is rejected at 0.05 level of significance. Thus there are significant differences among the respondents work experience on the bank HRD climate.

**VII. CONCLUSION**

Banking and financial services are the back bone of any country’s economy. Reserve Bank of India (RBI) has been the Apex Institution performing the central banking functions in India. The banking services are provided in India by different categories of banks namely, public sector banks, private sector banks, foreign banks, co-operative banks and several Non-Banking Finance Companies (NBFCs). The economic reforms came into being in 1991 completely changed the way of operation of banking and financial services in India. In view of drastic changes in information technology, socio-demographic profile of customers, world financial markets, the Indian banking sector is facing numerous challenges. There exists a cut-throat competition between the public and private sector banks. In an agrarian country like India the central and state governments are imposing lot of pressure on banks to achieve rural development through financial inclusion. The priorities of governments towards implementation of welfare schemes and several human development measures though banks is also causing a threat to the survival of banks. The government policies like demonetization, merger of banks had great impact on the banking services. Hence to survive and continue the journey banks are striving hard to retain and satisfy the customers by increasing the quality of service through introducing new banking products from time to time. The other serious problem faced by banks is Non-performing Assets. At the outset human resource development to enhance the quality in banking services has been unanimously accepted as an essential requirement. Banks shall explore continuously suitable HRD mechanisms since banking is a service oriented industry.

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