



A Study on Impact of HR Development Practices on Employee Productivity in Banking Sector with Special Reference to Union Bank of India Mangaluru

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ABSTRACT

In India the banking industry becoming more competitive than ever, private and public sector banks are competing each other to perform well. The Human Resource Development department has to play a more proactive role in shaping the employees to fight out the challenges. In commercial organizations like banks, HRD departments have the advantages of not being excessively burdened with day-to-day problems of running the banks or ensuring profitability of individual transactions. The executives of the bank are now in the position to modify their traditional human resources practice in to innovative human resources practices in order to meet the challenges from other competitive banks. The banks not only have to make plans and policies and devise strategies, the actual functionaries have to show competence and effectiveness in executing the said policies and strategies. They are in positions to take strategic and long term view of the competitive advantage of the human resources as well as identify areas of professional weaknesses to rectify well before any damage takes place in the organization. Indeed they have the golden opportunity to implement the desired HR policies to improve and strengthen the organization to withstand the onslaught of fierce competition in future. The present paper revealed some suggestions to enhance HR development strategies, and to cope up with the existing complexities in the wake of severe competition in the field of employee development in banks.

KEYWORDS: HR practices, Employee development, HR policies

Introduction

Human Resource Development has assumed considerable importance in the recent years, be it business organization or a bank or an office, the development of human resource is necessary for its efficient and effective working. In an evolutionary process when developing economy struggles to attain higher levels of living it can hardly overlook the need of developing its human resources to meet the bigger and new challenges of raising the quality of the masses. The concept of HRD deals with the improvement of human quality in general and development of human skills, standards, comprehensions and application in the production enterprises in particular. As such, HRD has become an important programme of all organizations not only for enhancing the production efficiency/ productivity has also to bring about qualitative improvement among the workers at different levels. In the economic system, banks play a very important role as they have the power of creating credit for the businessmen and general public for various purposes. The Banking Industry was once a simple and reliable business that took deposits from investors at a lower interest rate and loaned it out to borrowers at a higher rate. However deregulation and technology led to a revolution in the banking industry that saw it transformed. Today when banks offer loans & related products at a lower interest rate, it enhances the growth prospects of the economy and vice-versa. This has now become instrumental in the development of World Economy. Banks have become global powerhouses that have created even more complex products that involve risk and securitization in models that only research scholars can understand. Through technological development, banking services have become available 24 hours a day, 7 days a week through ATMs, online banking and electronically enabled exchanges where everything from stocks to currency can be traded. At the beginning of the 21st century, the biggest banks in the industrial world have become complex financial organizations that offer a wide range of services to international markets and control billions of dollars in cash and assets. Supported by the latest technology, banks are working to identify new business niches, to develop customized services, to implement innovative strategies and to capture new market opportunities. With further globalization, consolidation, deregulation and diversification of the financial industry, the banking sector has become even more complex.

Employee training and development does not engage merely obtaining novel abilities, skills and knowledge but also the possibility to promote entrepreneurship, initiate employees to changes, encourage the changes of their attitude, introduce the employees to important business decisions and involve them actively in the process of decision making within the context of learning organization, it is not sufficient for the worker only to add value to the organization based on knowledge but also has to receive knowledge. Organizations that invest in the training and development of the employees reap many benefits. But so do employees and the society in which they live.

Effective HR development system

Training is a systematic process of changing knowledge skills, behavior and motivation of employees to improve their performance on the job as per the goals and objectives of the organization. Training should also facilitate introduction of newer technology, new work methods, innovations and all round enhancement of productivity and quality of products and services. An effective training system has two key characteristics: first, it is based on systematic approach training need assessment system, and, second, it utilizes the training need information in a cost effective manner for improving performance on the job.

Transfer of new knowledge and skills depends on how the training is designed, delivered and, moreover, how the manager measures its effectiveness in real-work situations. According to Professor Baldwin, professor, Indiana university business school, even in a developed country like the USA “not more than ten percent of training expenditure actually results in transfer to the job.”

Importance of HR development practices in Bank.

- Training is obligatory for improving performance on the job.
- Training is essential to keep pace with technology advances and avoid obsolescence
- To cope with changing environment in the competitive world.
- Training is crucial for promotion to higher jobs
- Training helps to harness human potential
- Training for creating favourable attitudes and motivation on bank employees.
- To train for better adjustment to the organization and commitment to the work.
- To train employees in the bank culture.
- Training of employees is required for achieving organizations efficiency, growth, and to reduce costs.

Need for the study

The main purpose of the study is to find out the effectiveness of HR development practices on banking sector and also to know whether the training and development programmes were helping to improve productivity in the organization. Training is also mandatory for the personality development and progress of the employee, which motivates him to work for a certain organization apart from just money. Training also updates employees about recent trends in banking, the change in the employment policies and other relevant areas.

Objectives of the study:

- To analyse the effectiveness of HR development practices at Union bank of India employees
- To identify the impact of HR development practices in employee-employers relationships.
- To find out the basis of preference given for HR practices.

Methodology:

The study employs primary data as well as secondary data

Primary data: In the process of data collection, the researcher collects the data by using interviews and questionnaires method.

Secondary data: secondary data is purely based on different published sources, articles and websites.

Statement of Problem: In the present situation the implementation of training and development in banking sector makes the employees professional capable and thereby enhancing the productivity in the organisation, while others consider training and development as a waste of time and helps only for personal growth. This study, in turn, attempts to resolve the controversy by analysing the effectiveness of training programmes in banking sector.

Sample Design:

The particulars of sample design,

1. Sampling Unit: Mangaluru City

3. Source List: Union Bank of India Employees

4. Size of Sample: 50

5. Sampling method: Random sampling technique

Sample size: The number of respondents selected among 50 employees of various branches of union Banks in Mangaluru City.

Limitations

- Time restraint was one of the major limitations.
- Some of the employees were reluctant to communicate freely.
- The study is constrained to Union bank only it has no universal application.
- Personal information was not given by some employees during the survey.

Literature review:-

According to **Heath field (2012)**, the right employee training, development and education at the right time, provides big payoffs for the organization in increase productivity, knowledge, loyalty and contribution.

It was claimed by **Baldwin & Johnson (1995)** that training at lower levels will increase the chances of employee emigration from one organization to another.

Choo & Bowley, (2007) also added satisfaction and loyalty of employee's increases by training's higher degree concerning the firm and decreases the chances of employee termination.

In the empirical study conducted by **Watad & Ospina (1999)**, they identified the establishment and implementation of training and development. Found that training and development programmes should be based on training requirements acknowledged by their scrutiny, that money and time invested in training and development should be related or coupled to the mission or core business strategy of the organization.

Data Analysis and Interpretation

Table 1: Kind of training the respondents prefer

Particulars	No. of respondents	Percentage
On the job methods	20	40
Off the job methods	14	28
Both	16	32
Total	50	100

Analysis: The above table shows that 40 percent of respondents prefer on the job training and 28 percent respondents prefer off the job training and 32 percent respondents prefer on the job and off the job training method.

Table 2: Training programme helped in the increase of productivity

Particulars	No. of Respondents	Percentage
Strongly agree	30	60
Agree	10	20
Disagree	10	20
Strongly disagree	00	00
Total	50	100

Analysis: The above table shows 60 percent respondent's strongly agree that training programme helped in increase of productivity and 20 percent respondents Agree that training programme help in increase of productivity.

Table 3: Training Programme helps to improve employee-employer relationship

Particulars	No. of Respondents	Percentage
Strongly agree	31	62
Agree	13	26
Disagree	04	08
Strongly disagree	02	04
Total	50	100

Analysis: the above table shows that 62 percent of respondents strongly agree that training programme helps to improve employee-employers relationship and 26 percent agree that training programme doesn't improve employee-employers relationship.

Table 4: Involvement of respondents in training and development program

Particulars	No. of respondents	Percentage
High	36	72
average	13	26
poor	01	02
Total	50	100

Analysis: the above table shows that 72 percent of respondents have high involvement in training and development program and 26 percent of respondents have average.

Table 5: Training and development helps to achieve individual and organizational goals

Particulars	No. of Respondents	Percentage
Strongly agree	30	60
Agree	14	28
Disagree	04	08
Strongly disagree	02	04
Total	50	100

Analysis: the above table shows that 60 percent respondents strongly agree that training and development helps to achieve individual and organizational goals and 28 percent respondents agree that training and development helps to achieve individual and organizational goal.

Table 6: Areas the training and development programme has helped the bank as an organization

Particulars	No. of participants	Percentage
Productivity	26	52
Organizational stability and growth	15	30
Healthy working Environment	09	18
Total	50	100

Analysis: The above table shows that 52 percent of respondents said that training and development programme helped in achieving productivity and 30 percent respondents opined that training and development programme helped in maintaining organizational stability and growth. And remaining 18 percent said that training helped to maintain healthy working environment

Table 7: Training helps in the motivation of employees

Particulars	No. of Respondents	Percentage
Strongly agree	35	70
Agree	13	26
Disagree	02	04
Strongly disagree	00	00
Total	50	100

Analysis: the above table shows that 70 percent of respondents strongly agree that for training helps to increase the motivation level of employees and 26 percent agree that the training to help in the increase the motivation level of employees.

Table 8: Content of training program is valuable in banking field

Particulars	No. of Respondents	Percentage
Strongly agree	29	58
Agree	14	28
Disagree	05	10
Strongly disagree	02	04
Total	50	100

Analysis: The above table shows that 58 percent of respondents strongly agree that content of training programme is valuable in banking field and 28 percent agree that content of training programme is valuable in banking field. Only 10 percent disagreed

Table. No 9: Training helps in teamwork and problem solving

Particulars	No. of Respondents	Percentage
Strongly agree	36	72
Agree	14	28
Disagree	00	00
Strongly disagree	00	00
Total	50	100

Analysis: the above table shows that 72 percent of respondents strongly agree that training helps in teamwork and problem solving and 28 percent agreed for the same.

Table no 10: Whom the training is more important.

Particulars	No. of employees	Percentage
Senior staff	12	24
Junior staff	06	12
New staff	11	22
Based on requirements	21	42
Total	50	100

Analysis: the above table shows that 24 percent respondents says training is given more importance based on requirements and 22 percent says new staff and 12 percent say junior staff and percent says senior staff should be given training

FINDINGS

- It is found that training and development helps in achieving organizational and individual goals.
- It is clear that employees prefer on the job training method.
- The study shows that training programme helped in the increase of productivity.
- Employees say training programme helps to improve employee-employer relationship.
- The study reveals that employees suggest that involvement of respondents in training and development programme is high.
- It is understood that training and development programme has helped to maintain organisational stability and growth.
- It is clear that training helps in the motivation of employees.
- It is found that there is speed in work and healthy environment from training and development programmes.
- Majority of the employees say based on requirement the training is given more importance.
- Employees opined that money is important barriers to training and development in the organization.
- The study reveals that training helps in teamwork and problem solving.
- It is clear that workplace of the training is physically organized is good.
- Employees opined that there was no difficulty during the training session.
- As per the study training gives importance in problem solving and team work.
- The study reveals that importance is given for training to the employees as per the requirements

SUGGESTIONS

- Almost all the employees are satisfied with the training programme. So the bank should maintain the stability position.
- All employees should get trained on recent development regularly.
- Identification of staff should be done according to their need; it should not be just for the sake of reaching target.
- Every employee should be given the opportunity to express their opinion in front of the top level managers.

- Trainers must be highly competent so that he can train trainees in the best way.
- The training should improve with time.

CONCLUSION

Training plays a very important role in enriching knowledge, skills and attitudes of employees towards work. To be successful at work one needs to build in oneself the flexibility to deal with a variety of people and situation. Continuous training and development will alone act as a competitive edge for all organization particularly in service sector. Training enhances the job performance of employees that in turn help in achieving the organizational objective. Training helps in drawing up an action plan to show how investment in training and development will help meet business goals and objects. Training and development programs are significant for an organization to develop the employee. An organization though flowered by creams of the society, still training is required due to rapid technological up gradation and change in working methods every day. Training aims at continued self-development of the employees. Employees are predictable to develop themselves continuously in an organization. When the human resources in an organization are developed from time to time with all modernized knowledge, then definitely that organization will grow to a greater height.

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