Impact of HRD Practices on Job Satisfaction –
A Case Study of Syndicate Bank and Karnataka Bank Ltd.

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Abstract

The major challenge of the contemporary banking business is how to optimize the contribution of human resources in achieving organizational goals and objectives. An efficient and satisfied work force is the most significant factor in organizational effectiveness and managerial excellence.

Systematic investigations in industrial and service organizations have revealed that though individually Indian workers are as knowledgeable and efficient as their counterparts elsewhere in the world collective efforts often falls short of corporate expectations. While a part of this shortfall may be due to the inadequate commitment and motivation on the part of the employees, environmental pressures, attitude of trade unions, the contribution of management policies and
practices in relation to human technical and material resources is also contributing significantly for this situation.

The general objective of Human Resource Development practices is concerned with the development of human resources i.e., knowledge, capacity, skills, potentialities and achieving employee goals including job satisfaction. In this paper authors made an attempt to describe the various HRD practices and impact of the same on employees’ job satisfaction.

**Keywords:** Human Resource Development, Job satisfaction, Best practices.

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**Introduction**

The major challenge of the contemporary banking business is how to optimize the contribution of human resources in achieving organizational goals and objectives. An efficient and satisfied workforce is the most significant factor in organizational effectiveness and managerial excellence.

Systematic investigations in industrial and service organizations have revealed that though individually Indian workers are as knowledgeable and efficient as their counterparts elsewhere in the world collective efforts often falls short of corporate expectations. While a part of this shortfall may be due to the inadequate commitment and motivation on the part of the employees, environmental pressures, attitude of trade unions, the contribution of management policies and practices in relation to human technical and material resources is also contributing significantly for this situation. There is no single HR best practice to which all organizations should aspire. Rather, the literature shows that each firm has a distinctive HRD system and practices that represents a core competencies required for the survival and sustainability for that particular organization.

**Significance of HRD Practices**

Available literature places a strong emphasis on the need for high-involvement in work practices, the greater employee participation in decision-making and control over how the work is performed and increased flexibility and actualization of the workforce.

The bureaucratic and hierarchical organizational structures have given way to broader and flatter structures where self-managed work teams have become more prevalent and workers and employees have an input to the decision-making processes affecting their work. Managers now have to address the complex issues associated with competing in a fiercely competitive global marketplace.

In contrast to its traditional emphasis on personnel administration, HR’s future role will be supporting a company’s competitive advantage by providing high quality people and by helping business managers to strategically plan the functions of those people within the organization. HRD focus shifted from being an administrative support function to becoming a business partner in charting business strategy. This requires transforming the HRD function into a strategic business partner that will positively affect a company’s earnings in a climate, which will become more fiercely competitive for intellectual capital required for corporate sustainability.
HR Best Practices

“Best practices” in HR are subjective and transitory. What is best for one company may not be best for another. What was best last year may not be best for today. The concept of “best” is highly subjective and non-specific. “Best practice” is not a set of discrete actions but rather a cohesive and holistic approach to organizational management.

Factors that contribute for best HR practices are

1. **Communication:** The “best practice” companies have the most intense communication systems and structures, which are broad-based, continuous and involve multi-directional employee contact. Communications with employees is “a given” and is a formal, focused and on-going responsibility.

2. **Continuous Improvement:** The best companies are never satisfied. They focus not only getting it right but also doing it better. They are intensely dependent on feedback from all sources as the prime basis of their continuous improvement philosophy.

3. **Culture Consciousness:** The best companies are all sharply focused on their culture and are conscious of how culture shapes systems and behaviors.

4. **Customer Focus and Partnering:** In the best companies, customer focus is proactive and not reactive. They are out in the market place to anticipate changing customer needs and to build on relationships on a face-to-face basis. They get totally focused on the customer and think and talk business rather than HR.

5. **Interdependence:** Many organizations are a conglomeration of fiefdoms with each department “protecting its own turf”. Commonly, these organizations have a “silo mentality”. By contrast, the best companies make a conscious and deliberate effort to add to and reinforce each other’s contribution. This encourages openness and trust that are essential for effective teamwork. There is constant cross-functional cooperation and communication.

6. **Risk Taking:** The best companies have leaders who possess courage to make the hard decisions and carry them out. People like Jack Welch, CEO of General Electric is known as “neutron jack” for his massive shake-ups at GE. These people are not afraid to go face-to-face with the people. They are focused to the objectives and lead by examples. This involves taking risks.

7. **Strategy and Commitment:** Leading companies have a long-term commitment to a strategic direction. They have strategic plans that work. This requires a dedication to constant analysis, modification and review. It also requires commitment to strategic vision and direction rather than chasing the latest management fad or fashions of the month. It is TQM this month and “benchmarking” the next month and “re-engineering” the month after that.
8. **Value Focus**: Focus on values must be looked at from two perspectives: value-added and values-driven. Value-added means a sharp and constant effort on adding to the bottom line. When changing a hr policy, practice or process the companies should ask questions such as “what difference does this make, ultimately, to the customer? Will it mean that the company can get a product out, or provide a service, better, cheaper and faster? Will it serve our customers better? How will our customers benefit?” If it’s not ultimately valuable to the customer, then it is not valuable to the company.

Values-driven means that everything the company does is motivated by a set of values and qualities that asks questions such as “what are we here for? How do we treat our employees? How do we relate to our customers?” Companies should ask these questions as a part of their conscious operating philosophy and not assume in the subconscious that this thinking is pervasive throughout the organization.

**Corporate Human Resource Development Practices**

Irrespective of the sectors, all the Joint Stock Companies do undertake various activities and programmes under the brand category as HRD Practices. Even banks are not an exception to this development. All organizations do conduct following programmes/activities/functions under HRD Practices. They are namely,

- Training and development
- Performance appraisal
- Promotion and Transfer
- Wages and Salary administration
- Career planning and Developments
- Welfare facilities
- Safety measures
- Discipline and disciplinary procedures

**Research Methodology and Research Design**

The researcher has followed sample survey method for conducting this empirical enquiry at banks.

To study the key indicators of hrd practices that determine the level of satisfaction in employees group, a structured questionnaire was prepared. The questionnaire consists of two parts. The first part of the questionnaire contains the employee personal profile and the second part of questionnaire contains all about key indicators to measure satisfaction level among employees’ working group.
As a part of the sample survey method, a set of questionnaire was administered to sample consisting of 115 employees to have a clear picture on hrd practices in banking sector- a study of syndicate bank and karnataka bank ltd., whose head office is at mangalore with reference to dakshina kannada district. Out of 115 questionnaires, investigator has taken only 100 respondents for this study.

**Objectives of the Study**

1. to know the various hrd practices followed by banks.
2. To assess the employees’ job satisfaction on hrd practices.
3. To measure the employees’ job performance on hrd practices.

**Hypothesis**

1. There is no a relationship between training programme provided to employee and their job satisfaction.
2. There is no relationship between career development programme and dissatisfaction level in job.
3. No significant relationship exists between current pay scale in Banking sector and their job performance.

**Area of the Study**

Dakshina Kannada is a economically rich place in Karnataka. It is an economically stable and politically strategic location. The district has a potential for sustained economic growth. This is due to the various supportive factors immensely contributing to the growth of prospects of the place. It has given birth to four nationalized banks namely, Corporation Bank, Syndicate Bank, Canara Bank and Vijay Bank and a leading private sector bank like Karnataka Bank Ltd., and few others. It is called ‘Cradle of Banking industry’. For the first time in India a cooperative bank has opened its ATM branches here.

At present there are 47 public and private sector and co-operative banks are functioning in the district. It is the main business oriented place because of its vital connectivity through road, sea and air route transportation facilities.

As it is a business place there is a tough competition in banking sector. In order to cope up with the rivalry, banks have to provide better services to customers to attract them. T.V.Rao, the chairman, Learning Systems pvt. Ltd. opines that “competent people can develop new technologies, bring down costs, ensure customer satisfaction and high quality of services, can innovate and manage change through continuous learning”.

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Analysis of the Study

**Table No. 01: Relationship between Training Programmes and Level of Job Satisfaction**

<table>
<thead>
<tr>
<th>Training Level</th>
<th>Job Satisfaction</th>
<th>Highly effective</th>
<th>To some extent effective</th>
<th>Less effective</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Highly satisfied</td>
<td>23</td>
<td>29</td>
<td>00</td>
</tr>
<tr>
<td></td>
<td>Satisfied</td>
<td>07</td>
<td>34</td>
<td>00</td>
</tr>
<tr>
<td></td>
<td>Not at all</td>
<td>02</td>
<td>05</td>
<td>00</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>32</td>
<td>68</td>
<td>00</td>
</tr>
</tbody>
</table>

From the above statistical analysis it can be inferred that the calculated value of $\chi^2$ (7.811) is less than the table value (9.488). The first hypothesis holds true. Hence, it is concluded that there is a relationship between various training programme provided for employees with the level of employees’ performance and their satisfaction level. When training programmes are chalked out for various cadres of employees, one of this HR practice would definitely help them to improve the level of job satisfaction by helping them to acquire knowledge and skill of doing works. Chi-square test also confirms this fact.

**Table No. 02: Relationship between Career Development Programmes and Level of Satisfaction**

<table>
<thead>
<tr>
<th>Career Development Programme</th>
<th>Job Satisfaction</th>
<th>Highly helpful</th>
<th>To some extent</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Highly satisfied</td>
<td>21</td>
<td>11</td>
<td>06</td>
</tr>
<tr>
<td></td>
<td>Satisfied</td>
<td>11</td>
<td>42</td>
<td>04</td>
</tr>
<tr>
<td></td>
<td>Not at all</td>
<td>01</td>
<td>00</td>
<td>04</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>33</td>
<td>53</td>
<td>14</td>
</tr>
</tbody>
</table>

From the above statistical analysis, it can be inferred that, the calculated value of $\chi^2$ (38.234) is more than the table value (9.488) the second hypothesis of the study is rejected. Hence, it can be concluded that there is significant difference exists between career development programme and level of dissatisfaction in job. Career development programme will play influential role in reducing dissatisfaction level of employees. Career development programmes oriented towards development of welfare of employees. Ones welfare is developed that ultimately leads improvement in job satisfaction. Both the descriptive as well as inferential chi-square test also endorses the collected data.
Table No. 03: Relationship between Current Compensation Package and Job Performance

<table>
<thead>
<tr>
<th>Performance</th>
<th>Current pay Scale Job</th>
<th>Highly satisfied</th>
<th>Satisfied</th>
<th>Not satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>20</td>
<td>39</td>
<td>00</td>
<td>59</td>
</tr>
<tr>
<td>To some extent</td>
<td>06</td>
<td>28</td>
<td>01</td>
<td>35</td>
</tr>
<tr>
<td>Not at all</td>
<td>00</td>
<td>06</td>
<td>00</td>
<td>06</td>
</tr>
</tbody>
</table>

From the above statistical analysis it can be inferred that the calculated value of $\chi^2$ (7.118) is less than the table value (9.488). The third hypothesis holds true. Hence, it is concluded that there is a relationship between current pay scale provided for employees with and job performance. Employees are provided with the pay scale as per the type of job performance. It suggests that better the employees’ performance, better will be the pay scale. Job performance and compensation package are independent. Chi-square test also confirms this fact.

Conclusion

The general objective of Human Resource Development practices is concerned with the development of human resources i.e., knowledge, capacity, skills, potentialities and achieving employee goals including job satisfaction.

Mere presence of HRD practices in an organization does not serve its purpose, but it should be a continuous and never-ending process reaching out every employee and it is effective only when the individual employee is benefited in the process of achieving the goals consisting of job satisfaction, job security, high salary, challenging work, pride, status, recognition, opportunity for development etc. To a large extent it depends on the management’s attitude towards the Human Resources.

An employee who is highly satisfied with the HRD practices find himself and herself with a positive attitude having self commitment, motivation and loyal to the organization. This positive attitude always contributes to a large extent in the organizational growth.

The study revealed that most of the employees in banking sector were very much satisfied with the HRD practices followed by both the banks. Similarly all are almost aware of various policies, planning’s of the organization.

References


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