

A Literature Review to study influence of Organizational Climate in Indian Banking Sector

***Mr. Rahul Bharadwaj** - Muthoot Bank, New Delhi

****Dr. Kapil Sharma** - Associate Professor, IMS, Devi Ahilya University, Indore-M.P.

*****Dr. P.N. Mishra** - Prof. and Head-School of Economics, Devi Ahilya University, Indore-M.P.

******Dr. Vivek Sharma** - Lecturer, IMS, Devi Ahilya University, Indore-M.P.

*******Dr. Jyoti Sharma.** - Associate Professor, IIPS, Devi Ahilya University, Indore-M.P.

Organisational climate is one of the most essential aspect for organization facilitating employees to enjoy working and take challenges for betterment of organisations. Banking sector in India are the most reputed institutions trusted largely by masses.

For developmental aspects and progress in the banking sector, human resource development plays a very vital role and important function as a whole. Practice of human resource functions in the banking industry is one of the mandatory requirements as per the guidelines. Organisational climate and HR practices ensures the overall development in personal and professional manner along with banking functions for the customers. It also brings into practice encouraging and progressive outcomes and the brand image of the bank in terms of operations in the banking sector. Human resource development can be considered as one of the most important systems of HR management which leaves no sector, maybe manufacturing or service with yielded results.

Organisational culture of any organisation reflects the supportive environment that gives complete freedom to all the employees at different levels facilitating in development

of their skills, competencies and confidence that helps in maintaining the expected results and also keeping the team spirit intact. It also focuses on various aspects which directly and indirectly affects the environmental climate of the banking sector making every employee along with customers satisfied with services and its outcomes. There are various aspects that need to be considered as a part of the human resource development system in any banking industry that relates to human resource planning, selection, performance management, potential appraisal evaluation and training. All these aspects are used for the benefit and development of human resource management and also ensures favourable outcomes.

Human resource development in association with the banking sector and its functions focuses on various factors like low employment turnover, retention of employees, satisfaction and progress of employees at different levels, industry relations, security of employees and quality of work life of every member in the banking sector. It also focuses upon social economy goals and financial stability that is provided by human resource development practises in the banking sector.

In a study conducted by Saraswati 2010, it was reported that process of human resource development in any Indian bank is conducted with an aim to facilitate progress in banking services and also helping employees to a great extent which is done in a very meticulous, continuous and structured manner. There is reflection of organisational climate, culture and practises of human resource functions when determining and enhancing the competencies and capabilities of every employee that results as a compulsory personal and professional development of future expectations of employees. It also focuses upon exploring and developing the intrinsic skillfulness of every employee in order to have a satisfied life and personal as well as professional facilitation of banking functions at large level.

It also focuses on developing and organisational culture in which employees working at all the levels like top management, middle management and lower management need to have a belief system for the organisation and for each other and also work as a team. It expects a leader who has an objective of life of taking organisation and its employees' hand-in-hand. Fourth it also talks about developing psychological and professional well-being through which people get inspired and have great pride and confidence as an employee of a particular bank performing all the possible responsibilities for the present and future of organisation and self. A study carried out by Mufeed and Humdani 2013 reported about the working aspect of human resource development system in the health sector of Jammu and Kashmir and concluded that organisational climate mechanism becomes

dissatisfactory if there is lack of trust among organisations and employees.

In another study conducted by Benjamin and David 2012 it was reported that climate of human resource development has a very positive and persuasive impact on commitment and retention of employees and therefore it was suggested at that point of time in Nigerian bank to promote flexibility, personality development, faith, participation, protection and trust among each other as an outcome of positive organisational climate can be a medium. Positive organisational climate has the power to create harmonious environment in which people are comfortable in working and induce commitment without saying or without guiding and obtain organisational objectives along with their personal objectives in a reasonably fair manner. It also helps in generating a feeling of togetherness and belongingness that enables everyone in an organisation to perform to the maximum level of their capabilities. In a study conducted on 52 organisations which mentioned that out of 52 organisations more than 50% of the organisations confirmed positive and favourable organisational climate was moderately acceptable to all employees (Rao and Abraham 1986).

It is also reported that climatic conditions of human resource development can be widely observed in IT centres as compared to the automobile sector, (Agarwal, 2002). It was also reported on behalf of various studies conducted by Mishra and Bhardwaj 2002 that the public sector undertakings are considered comparatively better than private concerns in terms of favourable organisational climate, (Drigues, 2004) also reported in a study that organisational

climate if positive in nature ensures high satisfaction level among employees, Shreeman Narayana 2007, Pillai 2008 and Shreeman Narayana 2008 reported Positive organisational climate on moderate factors that included working conditions and moderate aspects satisfaction and practising HR functionality and benefits to its people.

Origo and Pagani 2008 reported on behalf of their research that job rotation as a system where employees are given a chance to work in different departments facilitating effective operational system in order to improve human relations, outcomes and productivity. Kilam and Kumari 2012 mentioned in a study conducted on career development and planning along with human resource climate and concluded that organisational climate was found to be better in Indian private banks and also in foreign banks as compare to public sector banks in India.

In a study conducted by Pillai 2008, it was mentioned that some moderate environmental aspects related to favourable organisational climate in banks in India. It also discussed various learning capabilities of employees that was highly affected by environmental factors including cultural aspects of any bank. In a study conducted by Kumar and Patnik 2002, it was mentioned that a positive organisational climate has progressive association with satisfaction of employees that was resultant of fair practises in human resources.

Mishra and Bharadwaj 2002 reported in a study about positive relationship between managers and their subordinates on behalf of organisational climate, policies and implementation of HR functions. What is the price in the organisation seems to be satisfied due to progressive features of policies

initiated and practised by top management along with fairness imposing culture of an organisation. Kumudha and Abraham in 2008 mention that any bank that has a capacity of taking care of the career planning of its employees and has a capacity of solving problems at large ensuring employee development, job analysis, equalisation and opportunities for developmental aspects and futuristic plans for retirement employees had successful strategy in banking sector.

All these aspect leads to employee satisfaction and updated appraisals of organisational climate. A study was conducted in Jammu and Kashmir in a bank for exploring human resource development culture and climate. On behalf of research it was concluded that there was a high level of trust and faith among people when there existed a positive and strong belief system of navigation among employees. Yattoo 2001 emphasised on practice of expertise, calibre, excellence in managers working and engagement of all the employees at various levels ensuring a positive organisational climate and culture. Abraham 1988 discussed discrepancy between top management and other levels practises in association to human resource development. It simply meant what people say and what is the practiced to fit the climate and culture of an organisation.

In terms of talking about the banking system in India, the welfare strategies with high values for employees and training aspects associated with the human resource development environment is relatively better as compared to other countries. In such a case where the lowest values were observed, it simply means that the bank is a need of thing attention to the appraisal systems of an

organisation where manages a different levels need to focus on the calibre aspect of employees and make them work in a manner where they're able to do the work in better manner and also ready for accepting any change. It can be mentioned that averagely supervising an employee is considered one of the most important aspects presented of the quality of any manager. The instruments of the techniques of human resource development procedures or administered in order to ensure the expected outcomes and achieved benefits organisation gives appreciation to employed. It also discusses training outcomes and developmental associations which are considered relatively better as compared to tools used in banking sectors in public areas.

On behalf of the research conducted at various levels it can be mentioned that in India the provisions for welfare dimensions of employees especially in the banking sector face for employees are satisfied. On contrary it can also be stated that instruments and techniques used for HR benefit needs to focus on more informant of employees in decision making, appropriate and equitable reward system etc and authentic potential appraisal needs to be considered on priority and banking sector areas should be made in a manner that everyone feels working in a justified manner and are happy.

In the context of Indian banking services, it can be stated that the welfare provisions for banking employees have been given the highest value under training and development shows reflection of Human Resource Development climate practice by various banks. Simultaneously it can also be mentioned that lowest value is been given to potential appraisals which are the point of

time affix the climatic conditions of an organisation. There have been many studies proving satisfactory levels of employees in terms of value addition. When employees are given a chance for job engagement, involvement, reward system etc. it relates to a harmonious environment in organisation reflecting fair and justified culture and organisational climate.

Even before commencement of banks money matters and every related activity was managed by money lenders and people who were rich. It was in the unorganised sector providing money to people and facilitating their financial necessity while lending money. This system was quite easy but still there were many practices which were not at all to the mark and it created several problems for people who were either poor or not in a position to repay the money taken from money lenders. As time progressed, the emergence of banking services started working in organised financial systems educating people to use money in banks by depositing, taking loan and gaining on money.

The various functions that explained the necessity of banking services for their customers are following:-

- 1- one of the major functions of the banking sector was to control the credit facilities and supply of money in the market.
- 2- another function was to secure the savings of the customers educating them the importance of gain and benefits by saving money

3- and lastly equalization in all kinds of policies, norms and facilities to be provided to all kinds of customers.

Today the banking services in our country is looked up with trust and no error process in terms of information, utilisation, product range, benefits to customers and within the reach of every Indian the country. There are examples where banking services have been a big failure due to various loop holes in processes dealing with people. We have various regulatory bodies that have taken important steps and measures to streamline successful and effective procedures for the progressive functioning of the banking sector and large benefits to its customers.

A Study Of Human Resource Development (HRD) Practices In Scheduled, Cooperative And Public Sector Banks In Kolhapur District. Finance India, Salokhe, A, & Chaudhary, N. 2010; 16(4):1445-1450.

Alpesh Shah. Indian banking 2020: Making the Decade's promise come true, www.bcg.com,

Career planning and HRD Climate-A major HR challenge for public sector banks in India. Asian Journal of Multidimensional Research, Kumar, S., & Patnaik, S. P, 2002; 1(7):60-82.

Correlates of Human Resource Development Climate Dimensions: An Empirical Study in Engineering Institutes in India. South Asian Journal of Management, 11(2), 81. Salokhe, V. A, 2002.

Farid Hossain, Talukder Md. Yahin Hossain Md. And Nahin Hossai Md., HRM practice in commercial banks: A case study of Bangladesh, IOSR Journal of Business and Management. 2014; 16(2).

Garima Shrivastava, Gupta PK. HR Practices: A comparative study of public and private sector banks in Indore. Haidar Abbas AM. University Malappuram Centre, Kerala. HRD Climate in Indian Banking Sector. 2014; 7(1).

HRD Climate and Organizational Performance with focus on Job Satisfaction as a Correlate: Exploratory Analysis. TECNIA Journal of Management Studies, 47. Saraswathi S, 2010.

Human resource development climate and attributes of teachers in JNVs. Kumudha, A, Abraham S. Organisation career management and its impact on career satisfaction: A study in the banking sector. ICFAI University Journal of Bank Management. 2008; 7(3):71- 84.

Human Resource Development Climate: An Empirical Study among Private Sector Managers. Indian Journal of

Government has recommended committees to overcome the problems faced by banks and its customers. With the impact of Information Technology there has been a revolutionary and profitable change in banking services benefiting people at large with safety measures blended with capital, debt and equity. Various steps have been taken by the government and Bank to overcome the money market. Overcoming various problems and barriers in the banking sector like building trust of customers, retention of loyal customers, maintaining financial data as of the bank, and with whatever money matters. Reference:



Industrial Relations, 66-80. Mufeed, S. A., & hamdani, Q. A, 2013.

Human Resource Development for Employees—Some Experiences of a Large Bank. HRD for Workers, 97. Kilam, I. K., & Kumari N, 2012.

Influence of HRD Climate on the Learning Orientation of Bank Employees. Indian Journal of Industrial Relations, 406-418. Rao, T. V., & Abraham, E, 1986.

Mathivanan P. A study on HRM Practices in Public Sector Banks in Krishnagiri District, iosrjournals. 2013; 12(4).

Muniraja B, Sekhar HR, Management in commercial Banks in India. 2014; 3(12).

Ramu N. Human resource management in cooperative banks in india: Issues and challenges, CAB CALLING.

Reserve Bank of India Report of the Working, 2010.

Reserve bank of India, www.rbi.org.in.

Serials Publication, New Delhi, India.

Shilpi Singh, Face of HR Practices in Todays Scenario in Indian Banks, IJAIEEM. 2012; 2(1).

Singh, Gupta and Shandilya Banking and financial sector reforms in India, 2010.

The Indian Banking Sector: Recent Developments, Growth and Prospects, 2013.

Workplace flexibility and job satisfaction: some evidence from Europe. International Journal of Manpower, Pillai, P. R, 2008; 29(6):539-566.

www.banknetindia.com/banking/boverview.htm

www.ficci-banking.com, www.iba.org.in.