

**BEHAVIOURAL COMPETENCY MANAGEMENT WITH  
SPECIAL REFERENCE TO COMMERCIAL BANKS  
HEADQUARTERED IN KERALA**

*Thesis Submitted to  
Cochin University of Science and Technology  
for the award of the degree of  
Doctor of Philosophy  
under the Faculty of Social Sciences*

*By*

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*October 2014*



# *Certificate*

*This is to certify that to the best of my knowledge the thesis entitled “Behavioural Competency Management with special reference to Commercial Banks headquartered in Kerala”, is a bona-fide record of research work carried out by Ms. Vigi V Nair, part-time research scholar under my supervision and guidance.*

*The thesis is an original piece of work and has not formed the basis for the award of any degree, diploma, associateship, fellowship or any other similar title and is worth submitting for the award of degree of Doctor of Philosophy under the Faculty of Social Sciences of Cochin University of Science and Technology.*

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## *Declaration*

*I hereby declare that the dissertation entitled “ Behavioural Competency Management with special reference to Commercial Banks headquartered in Kerala” is the outcome of the original research work done by me and that it has not previously formed the basis for the award of any degree, diploma, associateship, fellowship or any other title of recognition from any University/Institution.*

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*Date:*



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- 1.1 Introduction to Competency in Banking Industry
- 1.2 Significance of the Study
- 1.3 Research Problem
- 1.4 Scope of the Study
- 1.5 Objectives of the Study
- 1.6 Hypotheses
- 1.7 Limitation of the Study
- 1.8 Scheme of the Study

## **1.1 Introduction to Competency in Banking Industry**

Competency is the sum total of all skills, knowledge and attitudes, manifested in the employee's behaviour. It is the "means" to achieve the "ends." "Competency is an underlying characteristic of an individual that is causally related to effective and/or superior performance in a job or a situation." (Boyatzis, 1982). A plan to build and effectively utilize the required competency is the core theme in competency management, which determines the economic optimization of organizational goals. In today's fast moving and knowledgeable world, it is very difficult for an organization to develop a sustainable competitive advantage. For achieving this, organizations are required to improve their operational efficiency and effectiveness. Competency management of currently available resources determines performance of any organization. Among the resources of an organization, skilled Labour is the vital resource for enhancing the output of

the organization. According to Cheng et.al (2003) “the establishment of the competency of individuals is crucial for the further development of an organization”. Therefore, it is very essential to identify the individual competencies to improve the performance of the employees.

According to Zeti Akhtar Aziz (2005) “Banking is a knowledge-intensive, skills-based and relationship-rich industry”. In a progressive, complex and a more liberalized environment, competitiveness of banks will depend significantly on the quality of human resource and the extent to which the industry is able to enhance these talents. To compete effectively, banking institutions need professionals with the ample skills and expertise at all functional areas. Thus, the banking sector gives more priority to strengthen their intellectual human resources and the competency of them.

With rapid changes taking place in the financial landscape, Scheduled Commercial banks in India need a new generation of professional bankers who are more customer-centric, technology-savvy, more highly qualified, flexible and agile with behavioural skill sets that are now more comprehensive than previously. The quality of human capital will increasingly become the cutting edge of competitiveness. Having competent staff to deliver high quality products and services is important to build customer confidence and goodwill, driving customer satisfaction, enhancing reputation, and ultimately realising individual bank’s corporate vision and strategic goals. Therefore, banking institutions are interested to ensure competency and professionalism to serve their customers better.

Kerala can boast of a well developed banking sector from an early period. Initially private sector banks dominated the Kerala scene. At a later stage public sector bank’s branches were started in Kerala. Today Kerala is

one of the most developed states in the case of Banking.

This study aims to analyse, compare and contrast the behavioural competency of officials in commercial banks headquartered in Kerala. This is done by analysing the soft skills/behavioural skills possessed by an individual employee in both clerical and managerial levels and the means adopted to enhance their said skills in near future.

## **1.2 Significance of the Study**

The last two decades, marked the era of liberalization and globalization. The reforms in the country have been eventful one for the Banking industry. It changed the face of the industry far beyond recognition. Banking sector in India has a very old origin and the modern banking in India began with the rise of power of the British. Banks are extremely useful and indispensable in the modern community and played substantial role in the growth of economies. The banks create purchasing power in the form of bank notes, cheques, bills, and drafts that encourage the habit of saving money among people. The customers have become more demanding and they need value added services from the banks. The service quality of the bank mainly depends on the attitude or behavior of the employees towards the customers. *Narayana Murthy, chief mentor, Infosys*, mentioned that organizational attributes is required for success in the banks: "Only those banks which use speed and excellence in execution will survive. Others will disappear like dew in the morning. Indian banks have several legacy issues hampering their progress - including inadequate customer support, human resources practices and a customer-centric focus."

Technology has brought substantial changes in banking in terms of customer services and new product innovations. The private sector banks

are more dynamic in adopting latest Human Resource Practices. Banking sector have realised the fact that in the changed scenario, success will depend on the ability of banks to leverage the human potential and capabilities. The competency approach to human resources management is based on identifying, defining and measuring individual differences in terms of the abilities that are vital for the successful job performance. The commercial banks operating in Kerala aims to build highly competitive structure by means of enhancing unexceptionable levels of workforce performance; those are tenacious commitment towards their competency.

### **1.3 Research Problem**

Today, in every organization, human resource plays an important role in its success. The constant challenge for banks is getting their people to execute those behaviors that will deliver the organizational vision, values or strategic goals. Every person has different qualities, attitude, motives, personality traits, skills etc. that will affect their work performance. Human Resource (HR) department of banks is entrusted with the responsibility of searching, assigning and evaluating the employees by recruitment, selection and performance appraisal. The main objective of these functions is the assessment of suitability of the individuals for different functional jobs and developing their potential to be effective and excel in assigned jobs.

According to Mangaleswaran (2007) Human Resources (HR) are more important in the service organizations than in goods producing industry. Banking sector is one of the most important service sectors. In the present era, Banking has become a highly competitive industry and for the competitive advantage, it has to enter new businesses and new markets, to develop new ways of working, to improve efficiency of employees, and to

deliver higher levels of customer service. The recent trend is opening the commercial banks and their branches in every corner of the state for providing extended services to the society. Now everybody knows that the market and customers are changing frequently, their expectations have taken new forms and policies relating to people change as it is the people who are the key differentiators in the new era. But it is difficult to practice customer-centric strategic management without first achieving employee satisfaction. Therefore, the banks are focusing on the customer-centric strategic management. Employees on the frontline in banking sector are in constant contact with the customer and the customer satisfaction depends upon employee performance that in turn depends on employee satisfaction. However, earlier studies show that, in banking sector, employees are less satisfied and less motivated than other lines of work employees (Kelley, 1990; Bajpai, Naval & Deepak, 2004). This is reflected by high employee turnover rate (Branham, 2005; Nelson, 2007) and high level of stress (Chen &Lien, 2008) in the banking industry.

The winners in this sector will be the players who can understand the customer, fulfill customer needs, and achieve high levels of customer retention. For understanding the needs of the customers and fulfilling them, the bank employees both at the managerial and clerical level must have the required level of competency in their behavioural skills. For this, they must aim to improve their skills as and when new changes occur. The current study seeks to find out how Commercial banks headquartered in Kerala to improve the behavioural competency of their staff and to what extent they have succeeded in their attempts.

## **1.4 Scope of the Study**

In India, Kerala boasts of a well-developed banking infrastructure. With passage of time, Kerala banking system has attained a high benchmark. A large number of branches of nationalized and commercial, banks along with Grameen banks have sprung up within the state. Among these banks, following are the five major commercial banks, viz. Federal Bank, South Indian Bank, Catholic Syrian Bank, Dhanlaxmi Bank and the State Bank of Travancore have head offices in Kerala. These banks play a vital role in the economic growth and overall development of the Kerala state. Along with financial capital and technology, human resources contribute a lot to the capabilities of the banking sector to face the new challenges thrown open by globalization and liberalization. It is in this context, the present study focuses on the management of the behavioral competencies of employees in the commercial banking sector headquartered in Kerala.

## **1.5 Objectives of the Study**

The objectives of the study are:

- To study the socio-economic and job profile of the bank officers and clerical staffs in selected banks headquartered in Kerala.
- To analyse how far competency gets importance in the present set-up of the selected banking sector.
- To analyse the employee competency in the selected Commercial banks headquartered in Kerala.
- To measure the behavioural competencies of banking staff based on will parameters.



- To identify the gap between desired and the actual level of employee's competency for effective competency management.

### **1.6 Hypotheses:**

The hypotheses of the study are:

- Demographic and socio-status of the managerial officers and clerical staff influences their competency level in the selected banks.
- There exist no difference in managerial staffs' and clerical staffs' perception about competency evaluation during (a) employee selection, (b) job design, (c) performance appraisal, (d) career development, (e) promotion and pay and (f) relation and participations.
- There exists no gap in managerial staffs and clerical staffs' understanding on each other's performance.
- There exists no gap in employees' desired level of competency and the actual level.
- Employees' competency differs from one bank to another.

### **1.7 Limitation of the Study**

The limitations of the study are:

- The scope of the study is restricted to the banks headquartered in Kerala.
- No competency mapping or scaling technique is applied. This may reflect on the findings and conclusion drawn by the researcher.

## **1.8 Scheme of the Study**

The thesis is organised under seven chapters.

**Chapter I** introduces the theme of the thesis. It states the problem, the significance, scope, objectives, hypotheses and limitations of the study.

**Chapter II presents** the review of literature relevant to the topic of research.

**Chapter III** provides the conceptual framework, research design and methodology adopted in conducting the study.

**Chapter IV** contains discussions on the concept of banking system in India and the need for enhancing competency of bank employees working in scheduled commercial banks.

**Chapter V** contains a detailed diagnostic analysis on employee performances in the five sample banks during the study period (2001-02 to 2012-13).

**Chapter VI presents** the analysis and interpretation of the responses of the respondents.

**Chapter VII** sums up the findings, suggestions and conclusions of the study. Some suggestions with respect to further research is also listed herein.



2.1 The Performance and HR Practices in Banks
2.2 Employee Competency
2.3 Employee Performance Evaluation
Conclusion

Banking industry is the lifeline of the nation and its people. Banking has helped in developing the vital sectors of the economy and usher in a new dawn of progress on the Indian horizon. The sector has translated the hopes and aspirations of millions of people into reality. However, to do so, it has had to control miles and miles of difficult terrain, suffer the indignities of foreign rule and the pangs of partition. Today, Indian banks can confidently compete with modern banks of the world.

The success of the bank mainly depends on the services provided to the customers and the quality of services rendered on the employee performance or the competency of them. There are a number of studies and surveys conducted to improve the performance of the banks. Therefore, this chapter makes a review of the literature on the subject of the study.

### **2.1 The Performance and Human Resource Practices in Banks**

**Nanayakkara (1999)<sup>1</sup>** in his study on “**Changing Paradigms in Human Resource Management**” pointed out that the performance of the banks (as any other service sector organization) highly depends on their Human Resource Management (HR). Hence, efficient and effective HR

practices of selecting the right people, who would maximize value and minimize cost within the organization remains a challenging task.

This was also observed by **Randy (2000)<sup>2</sup>**-“**Why Loyal Employees and Customers Improve the Bottom Line**” that between 40 and 80 percent of customer satisfaction and loyalty is determined by the customer-employee relationship, depending upon the industry and market segment. At sears, employee satisfaction accounts for 60 to 80 percent of customer satisfaction. At the Royal Bank of Canada, 40 percent of the difference in how customers view its services can be linked directly to their relationship with bank staff. Therefore, if customers are well treated and their needs fully catered for, employee productivity increases leading to increase in performance.

According to **Kamesam (2004)<sup>3</sup>** the core function of Human Resource Development (HRD) in the banking industry is to facilitate performance improvement, measured not only in terms of financial indicators of operational efficiency but also in terms of the quality of financial services provided. Factors like skills, attitudes and knowledge of the human capital play a crucial role in determining the competitiveness of the financial sector. The quality of HR indicates the ability of banks to deliver value to customers.

Capital and technology are replicable but not the human capital, which needs to be valued as a highly valuable resource for achieving that competitive edge. The primary emphasis needs to be on integrating human resource management strategies with the business strategy. HRM strategies include managing change, creating commitment, achieving flexibility and improving teamwork. The other processes representing the overt aspects of HRM, viz. recruitment, placement, performance management, are complementary.

**Krishnamurthy K. V. (2004)**<sup>4</sup> highlighted the deficiencies in compensation policies as follows. In the process, we are paying same compensation to the performers and non-performers, the talented and the menials, often unable or unwilling to make the distinction, creating a disastrous situation where those with talent look for exit options like Voluntary Retirement Scheme (VRS).

**Patnaik (2004)**<sup>5</sup> Chief Manager (HRD) Central Bank of India opines that "Recruitment policy should go beyond writing eligibility criteria. Man power planning and recruitment policies should be reviewed and institutionalized."

**Bimal Jalan (2004)**<sup>6</sup> Ex-Governor, Reserve Bank of India stated that "A major challenge for many banks will be to develop the special competencies and skills for credit appraisal and risk management in an environment of deregulation and openness".

**Mohan Deshmukh (2004)**<sup>7</sup> in the study entitled "**Human Resource Mngement: need for a pragmatic approach**" stated that "In Indian banks, job descriptions are still not drawn up in greater detail so as to cover individual posts in a branch or departments of branch and controlling offices. Job profiles and job requirements are not defined."

**Purwar A.K. (2004)**<sup>8</sup> Chairman, State Bank of India, stressed on customer focus. "Greater customer centric focus calls for greater employee involvement and motivation and change in mindset. Long used to working in a protected environment, staffs in public sector banks are widely perceived to have low motivation and low involvement, and the lack of distinction between high performers and poor performers with no reward and punishment system has only added to the lethargy. He also mentioned

that the banks needed to build a service culture using technology in a customer friendly manner. This requires reorienting HRD strategies in banks on an urgent basis and banks need to emphasize right size, right skills and right attitude".

Other challenges in Human Resource Management are

- Over manning
- Low manpower productivity
- Employee unions

**G.S. Bhaskara Rao (2004)<sup>9</sup>** in his study "**Changing Profile of Banking Impact on HRM policies and processes**" pointed that "HRM practices and policies in Indian banks have been evolved primarily through reactive processes, and were the matters of bilateral agreements between the managements and the representative Unions. The post-nationalization period had witnessed a phenomenal growth in the number of trade unions, encouraged by the management's continued patronage by way of leaving all matters relating to HR to the prudence of unions.

Till the advent of financial sector reforms the concept of "human" as an "asset" was not assigned much importance and the role of HRM was mainly focused towards maintenance of personnel, and thus was not attuned to the emerging business priorities".

**Sangwan (2005)<sup>10</sup>** in his research article entitled '**Human Resource Management in Banks**' has mentioned that Human Resources are the most important element for the progress of banking. Though technology can replace manual intervention, the thinking process is the exclusive preserve of human beings. With changing times and technology, banks would require

employees with special skills in the areas of risk management, treasury, product development, customer relationship management and IT services. The technology can improve speed and quality of performance, but at the same time it can also unleash the risk factor. It is rightly said: “We are trying to apply third generation ideas on second generation organizations which are unfortunately run by first generation managers”.

**Anil K. Khandelwal (2005)<sup>11</sup>** in the study entitled "**Criticality of HR reforms for Public sector banks in the new era**", observed "Though the system of employee appraisal has been vogue in banks, it has not helped in developing an organization-wide performance culture in Public Sector Banks. The system often fails to differentiate performers from non-performers, average performers from high performers. Reforming the performance appraisal system by making it more objective and linked to corporate business objectives is the need of the hour. Key performance indicators need to be scientifically assessed and objectively linked with organizational goals so that the performance of the employees can be assessed on critical parameters".

**Mangaleswaran T and Srinivasan P T (2007)<sup>12</sup>** designed an empirical study "**Human resource management practices in Sri Lankan and Indian public sector banks: an empirical comparison**" to explore and compare Human Resource Management practices in Sri Lankan and Indian Public Sector Banks. Human Resource Management (HRM) is a developed concept. It has tremendous relevance to service sector like Banks. Human input is the single largest input to the banking industry. The level of efficiency/productivity of this input gets reflected in the quality of service offered by the banks to its customers, as also in its ultimate growth, productivity and profitability. Human Resource Management Practices have

been studied extensively among Manufacturing, Service and Small Medium Enterprises. However, only a few studies have addressed the banking industry. Even these researchers have not compared Human Resource Management Practices in Sri Lankan Public Sector banks (SLPSBs) and Indian Public Sector Banks (IPSBs). The investigation is based on a survey of 730 employees. It consisted of 281 responses from SLPSBs and 449 responses from IPSBs. To measure the HRM Practices, a structured questionnaire was used to collect data. The key area of analysis includes staffing, training, compensation, performance appraisal, and employee relations. Data were analyzed employing descriptive statistics and t-test with the help of SPSS. The study results reveal that Public Sector Banks in both countries practice HRM but the extent of practices vary from one another. Further, the results show a number of similarities and differences in HRM systems of Sri Lankan and Indian public sectors Banks. Against the established idea, the results of this study reveal that the gap between Sri Lankan and Indian public sector banks' HRM practices is very significant. Moreover, in one of the HR functional area (compensation), Sri Lankan public sector Banks show to adopt a more rational approach than their counterparts.

**Mangaleswaran (2007)<sup>13</sup>** in his study '**Human Resource Management Practices and its outcomes in Indian and Sri Lankan Public Sector Banks**' revealed that Human Resources (HR) are more important in the service organizations than in goods producing industry, as their cost of labour is relatively high proportion in the total cost of production. Moreover, employees on the front line in the service sector are in contact with the customer, and the customer satisfaction depends upon employee performance. Banks in the service industry delivers its service across the counter to the



ultimate customer. The activities of banking industry are all about “relationship”. Hence, banking industry has to provide better services with a smile to the customers in order to cultivate and maintain long lasting relationship with their customers. Notwithstanding the level of technology, banking is primarily a labour intensive service sector. Hence, it will not be possible for the banks to sustain effectiveness unless human resource management is given prime importance because the technology is only an aid to human effort and not a substitution thereof. If the technology is the equalizer, then the human capital shall be the differential in future.

**Sujatha Mellacheruvu and Krishnamacharyulu C. S. G (2008)<sup>14</sup>** their research work “**Challenges of Human Resource Management in Public Sector Banks**” pointed that Indian public sector banks have been facing a number of challenges ever since the industry was opened up for private and international players. Social banking practices followed by public sector banks consequent to nationalization have resulted in increased non-performing assets, decreased profitability and operational efficiency. Privatization of banking sector forced public sector banks to take up serious measures for improving profitability and efficiency of operations. Human resource management is the area where many initiatives were implemented for streamlining banking operations. In the study HRM challenges faced by public sector banks were analyzed and suggestions made by the experts in the field, summarized.

**Kadian W. Wanyama and S. N. Mutsotso (2010)<sup>15</sup>** conducted a study “**Relationship between capacity building and employee productivity on performance of commercial banks in Kenya**” focusing on the influence of employee productivity on organizational performance. This study investigated the impact of capacity building and employee productivity

on commercial banks. Kenya has experienced banking problems since independence in 1964 culminating in major Bank failures (37 failed banks as at 1998). The bank failures were largely due to weak supervision; poor service delivery, poor public relations and organizational ineffectiveness. Their study revealed that equipping employees with expertise, skills and knowledge can improve employee productivity and thereby improve performance of the banks. The results of their study was published in the form of an article and thereafter research focusing on the firm-level impact of human resource management practices such as employee productivity, satisfaction and motivation has become popular.

According to **Kwabena Frimpong and Alan Wilson (2012)**<sup>16</sup> though a great deal of attention has been given to measuring service orientation as a personality trait, very little attention has been given to conceptualizing and measuring the construct in terms of what employees actually do in service delivery. The few studies that have attempted to fill this gap tend to focus narrowly on what service employees do in their interactions with external customers via global measures.

The purpose of their paper was to provide a broader conceptualization and measurement of service orientation in service delivery, reflecting employees' interactions with both internal and external customers. An instrument was developed following a systematic scale development approach. Survey data were collected from 535 employees and 1,970 customers. Results from an exploratory factor analysis suggested that service orientation in delivery was underpinned by four major structures, namely internal cooperative behaviours, service responsiveness, service competence and enhanced service. Findings cannot be generalized as the study was based on only the banking sector in one country.

## 2.2 Employee Competency

**Quinn, R.E., et.al (1990)<sup>17</sup>** in his study on “**Becoming a master manager**” specified eight interconnected roles that effective managers perform as, director, producer, monitor, coordinator, facilitator, mentor, innovator and broker.

**Cockerilland Tony (1995)<sup>18</sup>** - “**Managerial Competencies: Fact or Fiction?**” presented eleven dimensions of managerial competency for high performance which are, information search, concept formation, conceptual flexibility, interpersonal search, managing interaction, development orientation, impact, self-confidence, presentation, proactive and achievement orientation.

**The American Compensation Association (1996)<sup>19</sup>** conducted a major survey of 217 mid to large size organizations to determine competencies. Respondents of this research study were senior management, high performers, and functional experts. The survey found organizations using competencies for communicating valued behaviours and organizational culture (75% agreed competencies have a positive effect), "Raising the bar" of performance for all employees (59% agreed), emphasizing people (rather than job) capabilities as a way to gain competitive advantage (42% agreed), encouraging cross-functional and team behaviour (34% agreed). The report points out that competency-based HR applications are evolutionary rather than revolutionary, in that they are treated as add-ons to existing HR practices. And also noted that competencies tended to highlight organizational behaviours rather than job-related skills.

**Quinn et al. (1996)**<sup>20</sup> subsequently, proposed eight managerial roles as mentor, facilitator, monitor, coordinator, director, producer, broker and innovator. Each role is composed of specific competencies, for example, the role of mentor involves communicating effectively and developing subordinates. These eight roles reflect two organisational dimensions, flexibility Vs control and internal Vs external. Depending upon the organizational goals, the CEO places greater emphasis on certain managerial roles.

**Martin (1997)**<sup>21</sup>, in his study, “**The sickening mind: Brain, Behavior, Immunity, and Disease**” named competencies, as believed, are universal, regardless of context (four competencies under each of three headings labeled sharpening the focus building commitment and driving for success). In the study, three kinds of competencies identified that vary as a function of a given cultural context (business relationships, the role of action and the style of authority).

**Bratton, (1998)**<sup>22</sup> “**Develop a framework of core competencies**” pointed that managerial core competency is any knowledge, skill, trait motive, attitude, value or other personal characteristics which are essential to perform a job. To obtain an effective performance, a work organisation needs people, who have a suitable competency. It is a paradigm shift from old to new wherein now managements are focused on more humanistic aspect. In the present regime of globalised business environment, managers should give more attention and motivation to their employees. Accordingly, managers are required to have good interpersonal skills.

**Gregersen, Morrison, and Black (1998)**<sup>23</sup> conducted interviews and gathered data for international managers and identified five characteristics of

successful global business leaders; (1) context specific knowledge and skill, (2) inquisitiveness, (3) personal character (connection and integrity),(4) duality (the capacity of managing uncertainty and the ability to balance tension)and (5) savvy (business savvy, political savvy and organisational savvy).

**Rolland Le Brasseur, Huguette Blanco and John Dodge (2002)<sup>24</sup>** in their work titled “**Competencies of CEOs in Technology – Oriented SMEs An Exploratory Study of Skills for Survival & Initial Growth**” revealed that in managerial competencies, 14 significant findings were found. When comparing the fast growth with the survival stage, there was a significant increase in the importance of the following competencies such as communicating effectively, developing subordinates, managing organisational performance, planning and goal setting, delegating effectively, fostering productive work environment, building/maintaining a power base and creating change in contrast etc. There was a significant decrease in the importance of the following competencies such as innovating in products/services, managing projects, selling and promotion, planning and monitoring cash flows, perseverance, technical competence and intuition.

**Leslie et.al (2002)<sup>25</sup>** has commented that learning behaviour include the motivation and skill to work and learn across cultural differences, the willingness to take the perspective of others and the capacity to learn from workplace experiences’. These variables have held a tacitly strong position in the management-development literature and some of the global – management literature. Resilience refers to the ability to manage time and stress, factors that might, be more salient in the management task. The third skill group ‘business knowledge’ represents knowledge of the business strategies and practices. Therefore, managerial roles stand for behaviour

which managers employ to carry out the basic function of their work they are, managing relationship, managing information and managing action. Current thought suggests that in a way all of the roles are important for attaining managerial competencies.

**Zeti Akhtar Aziz (2005)<sup>26</sup>** did an opening speech on “**Developing a robust competency framework for the Malaysian banking industry**” at the Industry Competency Framework Study Focus Group Discussion. In that session, he narrated that the banking is a knowledge-intensive, skills-based and relationship-rich industry. In an increasingly complex and a more liberalised environment, the competitiveness of banking institutions will depend critically on the quality of human intellectual capital and the extent to which the industry is able to leverage on these talents. To compete effectively, banking institutions need professionals with the requisite skills and expertise not only at the strategic and management level, but also at the technical and operational level. Successful institutions will be the ones which accord high priority to effective placements, rewards, retention and most importantly, life-long learning and the continuous enhancement of human capital. Life-long learning is becoming increasingly important in this knowledge-based economy where knowledge and skills need to be continuously updated and upgraded. At the macro-level, the breadth and depth of skills of the entire financial services workforce will increasingly be the defining factor in determining the success in building a more efficient, effective and dynamic financial sector. The availability of appropriately trained and competent human resources is a critical factor key to support the performance of the industry. In essence, continuous strengthening of intellectual resources and capabilities must be made.

**Maria Vakola, Klas Eric Soderquist, Gregory P. Prastacos, (2007)<sup>27</sup> "Competency management in support of organisational change"**

This paper dealt with analysis of forward-looking, dynamic and proactive approach to competency modeling explicitly aligned with strategic business needs and oriented to long-term future success. The study is based on a longitudinal research project by a leading Greek bank, currently undergoing fundamental corporate restructuring. The paper describes how the competency model was developed and how it facilitated strategy implementation and change by supporting communication, employee understanding of business goals, and the incorporation of new behaviours, roles and competencies in operations. The major findings are the organisational core competencies is required for a business to compete successfully in the banking sector and the skills and behaviours that the individuals would need to possess in order to produce and support those core competencies.

**Jyothi, P. and Jyothi, V. Sree (2009)<sup>28</sup>** in their study **"HR Issues and Challenges in Indian Banking Sector"** mentioned that over the last three decades, there has been a remarkable increase in the size, spread and activities of banks in India. The number of bank branches rose considerably during this period. The business profile of banks has transformed dramatically to include non-traditional activities like merchant banking, mutual funds, new financial services and products and the human resource development. Change is the only constant factor in this dynamic world and banking is not an exception. The changes staring in the face of bankers relate to the fundamental way of banking-which is undergoing rapid transformation in the world of today. The major challenge faced by banks today is to protect the falling margins due to the impact of competition. Another significant impact of banks today is the

use of technology. There is an imperative need for not mere technology up-gradation but also its integration with the general way of functioning of banks. All these are possible with the help of efficient human resource management. However, the challenges faced in the HR front are numerous and need to be handled diligently. The paper attempts to identify few HR challenges in the Indian Banking Context and suggests mechanisms to handle them.

**Naveed Saif et.al (2010)<sup>29</sup> “Competency based analysis”** The study was conducted at Bank of Khyber Main Head office, Peshawar with an object to assess competency based job performance. A stratified random sample of 60 employees from 200 employees was taken for this study, nine respondents were from top level, 36 from middle level and 15 respondents were from lower level of management. Competency was assessed in term of knowledge, skill and attitude using Likert scale. Chi-square test was used for hypothesis testing. The results showed that performance and job satisfaction were strongly associated. Similarly knowledge (shared and priorities) and skill (training and willingness) were strongly associated with job performance. However, attitude (tolerated and productive) of the respondent were insignificantly associated with job performance. Finally, it is recommended that organization may focus on knowledge, skill and particularly on attitude by arranging training to improve performance level of the respondents.

**Kumari, Anitha and Sita, V. (2010)<sup>30</sup>** conducted a study on “**Role of Competencies in Human Resource Management: A Study in Indian Organizations**” had mentioned in their empirical research work that contemporary organizations are essentially people driven. Creating new forms of competitive advantage has thus become a major area of concern for



organizations. It gets more complex in the contemporary knowledge based industry with the knowledge workers contributing to the organization in the form of human capital. The searches for newer forms of competitive advantage in organizations are seen in the name of competencies at the individual level. Competencies are a combination of observable and applied knowledge, skills and behaviors that create a competitive advantage for an organization. It focuses on how an employee creates value and what is actually accomplished (Nath & Raheja in, 2004). From a managerial point of view, very little has so far been achieved with regard to the question of which competencies create success in the organizations. The same is true in the scholarly research arena thus making the subject an exciting field of enquiry. Their study empirically investigated the role of competencies for employee development in the Indian IT and Pharma Industry. The importance of competencies in the talent acquisition, talent development and talent retention was also examined. The data was collected from a randomly selected sample of 89 employees in the IT and Pharmaceutical industry. The Awareness level of employees, usage of competencies in the different functions along with their perceptions has been collected through a specifically designed questionnaire. Data were content analyzed in a descriptive way with simple statistical treatment of frequency and percentages using the SPSS package. The results show the importance of competencies for organizational success. It also underscores the need for developing/ implementing competency based approach for effective human resource management.

**School of Land Science and Technology (2010)**<sup>31</sup> conducted a study on “**Employees' career competency in commercial banks**”. They reached the conclusion that the employee's career competency is critical for an enterprise to survive and develop. By analyzing the components of

employee's career competency in commercial banks, they formulated a suitable development model of career competency for commercial banks, and also explained its operating mechanism based on human resources disposition and information flow separately. They figured out professional ability, leading ability and endogenous quality as employees' career competency in commercial banks. Therefore, according to them, the main contents of the development system should involve professional and leading ability. They proposed a career-competency development system with four basic modules. The modules proposed are “pre-career development subsystem”, “enterprise development subsystem”, “individual self-development subsystem” and “transformation & integration subsystem”. It helps to achieve the intercourse of employee and information between interior and interior, interior and exterior, to promote the employee's career competency during the dynamic process of internal operation and external competition, and eventually maximizing the effectiveness of human resources development.

**Mily Velayudhan T.K (2011)<sup>32</sup>** conducted a study on “**Competency Mapping of the Employees**” pointed that competency mapping is a strategic HR framework for monitoring the performance and development of human resource in organizations. Regardless of whatever happens to the future of software in India, people who are outstanding in their performance will continue to be in demand and will keep rising and for this, the human resource of each organization should develop the competencies that they have in order to compete with the highly competitive market. This conclusion was based on data from 195 software employees of whom 145 were from Cognizant Technology Solutions (CTS) and the rest from Hindustan Technology Limited (HCL). Their competencies were studied in-depth to bridge the gap of the

lacking competency that would help the employees to outshine in the organization to lead its goal through its objectives.

**Anathbandhu Patra(2011)<sup>33</sup> “Creating more effective HR managers through Emotional Intelligence skill straining”** mentioned in his study is Emotional Intelligence (EI), unlike Intelligent Quotient (IQ), is important for managerial success and competencies. Emotional Intelligence is the ability to monitor one’s own and other’s emotions to discriminate among them. It involves self-awareness (ability to understand one’s own emotions), self-management (ability to keep negative emotions and impulses under control), and self-motivation (the drive to achieve despite setbacks, developing skills to attain target and taking initiative to act on opportunities). It helps to: (a) enhance communicating skills, (b) adjust with others, (c) build team, and (d) manage conflict. Not only do most of us spend the largest portion of our day at work but our identity, self esteem and well being are strongly affected by our work experiences. It has been reinforced by self awareness, optimism, and empathy which can enhance satisfaction and productivity at workplace. The workplace is the ideal setting for the promotion of these competencies. In the workplace, this ability can greatly enhance interpersonal communication and people skills.

**Das, Debabrata and Mukherjee, Soumya(2012)<sup>34</sup>** a study on “**A Competency Mapping Framework for Indian Services Sector**” stated that economic liberalization policies adopted by the lawmakers in the last decade of the previous century have resulted in steady growth in India's GDP and the share of services sector in this growth story is remarkable. At present, services sector contributes to Indian economy in a significant manner by providing huge employment. The success of a services sector depends on the capacity and ability of its employees in providing excellent services to the customers.

In India, services sector companies ranging from telecom, software to banking, insurance and financial services face a challenging task to recruit develop and retain skilled and effective manpower and that is why HR experts and consultants are worried about the future growth of services sector in India. In most of the services sector organizations, Competency Mapping is being used as a process to identify key competencies for the organization and/or a particular job and based on that the identified competencies are being incorporated throughout the various processes (i.e. job evaluation, training, recruitment, etc.) of the firm.

A recent empirical study shows in the context of banking and financial sector that customers' satisfaction depends heavily on some factors related with certain skills and behaviours of the employees of the firm. Therefore, it is necessary to incorporate the customers' views and thoughts in identifying competencies for a particular job that involves frequent customer interaction. The study attempted to develop a framework through which the competencies for a job can be identified from all directions – be it employees or be it customers and thus the proposed framework makes the competency mapping process more prudent and effective for the services sector firms in the present Indian economic scenario.

**Nagaraju and Sathyanarayana Gowda (2012)<sup>35</sup>** a study on **Employee Competency Mapping Strategies at Select Organizations of Bangalore**” concluded that to-day’s business is characterised by global operations, transitions, paradigm shifts, pressure of competition, wealth creation, shareholder value creation, customer focus, culture, value-based products, context-based approach, managing diversity, culture and value driven and what not. The organizational success earlier depended on physical and financial assets, today the success solely rely on the intangible ability and

capability that lie in the human capital and manifested in the form of competencies. The methodologies used for the present study are both analytical & survey. The entire research programme dealt on the linkage of employee competencies with business strategies and at the same time the linkage outcomes in terms of individual employee performance and organization performance. The major findings are:

- Competency is a key behaviour of employee's in the sample organizations that enables the superior performance of the organizations as a whole. It is more pronounced in sample information technology and foreign banks.
- Two-thirds of the sample firms achieved competitive edge through developing and sustaining employee competencies in addition to ability to innovate, ability to adopt new technologies and the ability to understand the customers and their needs.

**Sambasivan (2012)<sup>36</sup>** conducted an empirical study on “**Managerial Core Competency Perceptions of business executives**” undertaken by India corporate sectors, to determine the competencies required to be successful business managers in India. It is based on competency research methods pioneered by United States Geological Survey (USGS). It identified a need to implement a behaviorally based ‘Core-Competency Model for Managers’ (CCMM). The study commenced by focusing on private companies (India), Private companies (Multinational) and Public and Government sector managers. Managers from various business sectors validated the findings. The study made significant contributions for Team Building, Creative and innovative Judgment / Decision making, Supervision, Motivation, Flexibility, Conflict Management, Goal setting, Vision and Mission, Organizing and

Control, Delegation of Authority and development of Leadership skills for successful managerial persons.

**Ramakrishna G, Kameswari, Giridhar.M.Kumar And Krishnudu CH. (2012)** <sup>37</sup> conducted a case study on “**Effectiveness of training and development programmes-A case study of Canara bank employees in Kurnool district in India**” mentioned that the banking industry is becoming more competitive than ever, private and public sector banks are competing each other to perform well. The executives of the banks 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 Human Resource Development department has to play a more proactive role in shaping the employees to fight out the challenges. 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. In commercial organizations like banks, HRD departments have the advantage of not being excessively burdened with day-to-day problems of running the banks or ensuring profitability of individual transactions. 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 excellent opportunity to implement the desired HR policies to improve and strengthen the organization to withstand the onslaught of fierce competition in future.

**Rama L and Dr. Sarada S (2014)** <sup>38</sup> conducted a study on “**Competency mapping of Managers in Textile unit**” to find out the competency level of managers. Competency mapping is used as a tool to analyse the competency of the managers. To assess the competency, the

researcher has identified 33 competencies in to four broad categories such as functional, analytical, potential and Behavioural. From the analysis, it was found that the analytical skills were found to be lower (2.99 average score) and the functional competency to be higher (3.37 average score).It is concluded that the individual gap analysis and training required in the lowest competency areas and properly designed activities help to develop the competencies of the managers .

### **Job Satisfaction**

**Gregson (1991)<sup>39</sup>** in his empirical research work “**The Separate Constructs of Communication Satisfaction and Job Satisfaction**” had mentioned that the most popular and researched measures of job satisfaction is the Job Descriptive Index (JDI). The author had used a JDI with a 72-item questionnaire for his study that was an adjective checklist type questionnaire developed by Smith, Kendall, and Hulin in 1969”. This measure is based on the five facets of job satisfaction measures.

According to **Cranny, C. J, Smith, P. C. and Stone E. F. (1992)<sup>40</sup>** job-satisfaction is one of the most studied constructs in the areas of industrial organizational psychology, social psychology, organizational behavior, personnel and human resource management, and organizational management. This makes sense in that knowledge of the determinants, the consequences, and other correlates of job satisfaction can be vital to organizational success.

The history of job satisfaction stems back to the early 1900 s with the situations perspective on job satisfaction. This perspective states that satisfaction is determined by certain characteristics of the job and characteristics of the job environment itself. This view has been present in

the literature since the first studies by Hauser, Taylor and the various projects at the Western Electric plants in Hawthorne.

According to **Tack and Patitu (1992)**<sup>41</sup> until recently most researches on job satisfaction were done in the industrial sector with attempts to adapt the findings to higher education. While the above findings have relevance, job satisfaction for faculty must be examined. Given the impending shortage of prospective faculty to fill the numerous vacancies, the topics of job satisfaction for faculty, recruitment, and retention must be given attention. Consequently, university officials and current faculty in higher education must recognize the factors that lead to job dissatisfaction among faculty and eliminate them; as well as, recognize the factors that increase job satisfaction and enhance them.

According to **Hakim (1993)**<sup>42</sup> a satisfied employee tends to be absent less often, to make positive contributions and to stay with the organization very eagerly. However, a non-satisfied employee may be absent more often, may experience stress that disrupts co-workers, and may be continually looking for another job.

**Cardona (1996)**<sup>43</sup> conducted a survey among members of the Association for Investment Management and Research on “**Job Satisfaction not Due to Cash, Pensions & Investments**”. The survey revealed that 81 per cent of the managers were satisfied or very satisfied with their job. When asked to identify the factors that created positive feelings about their job, most managers named ‘professional achievement, personal or professional growth, the work itself and their degree of responsibility’ as more important than compensation. Factors they viewed as creating negative feelings about their jobs were ‘company policies, administration,



relationships with supervisors, compensation and the negative impact of work' on their personal lives.

**National Center for Education Statistics (1997)**<sup>44</sup> had reported on job satisfaction among American teachers that more administrative support and leadership, good student behavior, a positive school atmosphere, and teacher autonomy as working conditions associated with higher job satisfaction. A weak relationship was found between faculty satisfaction, salary and benefits. Research also shows that demographic variable such as age and gender have little or no significant impact on job satisfaction.

**Karl and Sutton (1998)**<sup>45</sup> conducted a study on “**Job Values in Today’s Workforce: A Comparison of Public and Private Sector Employees**”. The study revealed that “From an employee’s standpoint”, say “job satisfaction is a desirable outcome in itself”. From a managerial or organizational effectiveness standpoint, job satisfaction is important due to its impact on (1) absenteeism (2) turnover, and (3) pro-social citizenship behaviors such as helping co-workers, helping customers, and being more cooperative. Thus, to redesign jobs, reward systems, and human resource management policies that will result in optimum job satisfaction and productivity, managers need to know what employees value.” In order to know what employees value it is necessary for organizations to assess and pay attention to current levels of job satisfaction.

**Yankelovich Partners (1998)**<sup>46</sup> surveyed 10,339 workers across 10 European countries and the USA. Across the four major geographic regions studied, workers specifically emphasized the importance of potential advancement and the opportunity to build skills as a way to maintain employability and job security”.

**Maurice (1998)**<sup>47</sup> a study on “**Happy Workers Miss Fewer Days**” holds the view that in order to decrease some of the negative feelings towards job and increase productivity it is necessary to reduce the number of work days employees miss by increasing job satisfaction, redesigning disability plans and involving supervisors in management.

**McDonald and Hutcheson (1999)**<sup>48</sup> in his on “**Employee Loyalty, Commitment Directly Impact the Bottom Line**” have stated that “Research indicates that customer satisfaction and loyalty are excellent predictors of profitability...the strongest predictors of customer satisfaction: employees’ general satisfaction with their jobs and employees’ satisfaction with their work/life balance.” Again, it is important to note that job satisfaction is subject to change.

According to **Wiggins and Bowman (2000)**<sup>49</sup> current studies on job satisfaction are plentiful with some interesting results. In one study, the relationship among career experience, life satisfaction, and organizational factors for managers of healthcare organizations is explored. Within this study a two-stage Delphi analysis of American College of Healthcare Executives (ACHE) members identified nine domains of important job skills, viz. knowledge, and abilities necessary for success as healthcare managers. The nine domains, ranked in order of importance, are ‘cost/finance, leadership, professional staff interactions, healthcare delivery concepts, accessibility, ethics, quality/risk management, technology, and marketing’.

In their study **Wagner and Rush (2000)**<sup>50</sup> focused on **Organizational Citizenship Behaviors (OCB)** analyzing peer ratings of altruistic OCB in a sample of 96 US nurses. The study showed that the contextual variables such

as job satisfaction, organizational commitment, and trust in management were pertinent for the participants.

**Brannigan and Zwerman (2001)**<sup>51</sup> in their study assumed that when a certain set of job conditions are present a certain level of job satisfaction will follow. The Hawthorne Studies are considered as the most important investigation of the human dimensions of industrial relations in the early 20th century. They were done at the Bell Telephone Western Electric manufacturing plant in Chicago beginning in 1924 through the early years of the Depression. The Hawthorne plant created an Industrial Research Division in the early 1920s. Personnel managers developed experiments to explore the effects of various conditions of work on morale and productivity.

**Bruce and Kay (2002)**<sup>52</sup> in his study “**The Hidden Human Resource: Shareholder Value Finding the Right Blend of Rewards**” stated that highly satisfied groups of employees’ characteristics are customer loyalty (56 percent), productivity (50 percent), employee retention (50 percent), safety records (50 percent), profitability (33 percent), (available through [www.gallup.com](http://www.gallup.com)). A Watson Wyatt Worldwide study found that the practice of maintaining a collegial, flexible workplace is associated with the second-largest increase in shareholder value (nine percent), suggesting that employee satisfaction is directly related to financial gain. Over 40 percent of the companies listed in the top 100 of Fortune magazine’s “America’s Best Companies to Work For” also appear on the Fortune 500. While it is possible that employees enjoy working at these organizations because they are successful. The Watson Wyatt Worldwide Human Capital Index study suggests that effective human resources practices like employee satisfaction, motivation, punctuality lead to positive financial outcomes.

According to **Robbins et al. (2003)**<sup>53</sup>, job satisfactions can be defined as an individual's general attitude towards his or her job. In another study, Aronson et al. (2005)<sup>37</sup> state that job satisfaction plays an important role in improving the financial standing of organizations. Dissatisfaction amongst higher-level employees will most likely reflect on lower-level employees thus resulting in economic, financial and morale problems that indicate that a positive relationship between job satisfaction and job level conveys certain economic advantages to business organizations.

**Eyupoglu and Saner (2009)**<sup>54</sup> conducted a study on “**Job Satisfaction: Does Rank Make a Difference?**” said that job satisfaction today is a topic of major interest for many researchers and is an organizational variable that should be understood and constantly monitored for the welfare of any organization.

**Vijayashree and Jagdish chandran (2011)**<sup>55</sup> in their study on “**Locus of Control and Job Satisfaction: PSU Employees**” attempted to identify the type of locus of control (i.e. internal or external) present in Public Sector Units (PSU) in Bangalore, of India, on job satisfaction of PSU employees. Their research indicates that there is a positive correlation between internal locus of control and job satisfaction as well as between external (other) locus of control and job satisfaction. They show that internal control is the term used to describe the belief that control of future outcomes resides primarily in oneself and external control refers either to the expectancy that control is outside of oneself, in the hands of powerful other people or due to fate/chance.

**Akinbobola (2011)**<sup>56</sup> in his study “**Conflict in Human Capital Relationships: The Impact of Job Satisfaction on Job Involvement in a**

**Workplace”** stated that there is significant independent prediction of job involvement by age, job satisfaction and some characteristics which are supervision, fringe benefit, contingent reward, operating procedure, co-workers and communication. She discussed the implications of the result in line with corporate governance and conflict resolution.

**Jain S, Sharma S. and Jain, R. (2011)<sup>57</sup>** conducted a study on “**Job Satisfaction in Banking: A Study of Private and Public Sector Banks (Comparative Study)**” is of the opinion that job is not only just obeying the boss; it provides internal satisfaction and is something for which employees bear to live. Organizations put efforts and provide excellent conditions for satisfying their employees.

**Folami and Bline (2012)<sup>58</sup>** a study on “**Relationship among Job Satisfaction, Task Complexity, and Organizational Context in Public Accounting**” discussed in their research the evidence on the link between job satisfaction and employee affective outcomes, including turnover and job performance. They examined the association between task complexity, organizational context variables of centralization, organizational complexity, formalization, and environmental uncertainty with job satisfaction.

### **2.3 Employee Performance Evaluation**

Efficient human resource management i.e., performance analysis and maintaining higher job satisfaction level in banks determine not only the performance of the bank but also affect the growth and performance of its employees’. When thinking about competences, concepts such as performance and effectiveness are involved because competence is directly linked with effective performance in complex situations as it is thought to

serve as a causal factor for success because “competent performance presumes competence” (Westera, 2001).

**Delaney (1996)<sup>59</sup>**– “**Forthcoming Unions, Human Resource Innovations and Organizational Outcomes**” organizations can adopt various HRM practices to enhance employee skills. First, efforts are on improving the quality of the individuals hired, or on raising the skills and abilities of current employees, or both. This can be done by providing comprehensive training on the job and development activities after selection.

**Walker (1998)<sup>60</sup>** in his study “**Satisfying Employees is a Profitable Strategy**” expressed that “Rewarding employees for work well have done increases satisfaction and productivity.” Simple practices like this can aid the atmosphere of the work environment. Metzler (1998)<sup>15</sup> cited that “Giving recognition and rewards outside the paycheck such as recognizing key employees by name may also help in improving his/her performances.”

**Huselid MA, Becker BE, Ulrich D (2001)<sup>61</sup>** a study on “**The HR scorecard: Linking people, strategy, and performance**” said that there is a positive association between employee participation, empowerment and organizational performance.

**Mejoy Patnaik (2004)<sup>62</sup>** in his work “**Structural changes in banks': HRM policies and procedures**” opined “compensation in most of the banks now follows low wages and high employment model. The emerging model of banking would lead to some of the major paradigm shifts in core values ....man power planning, recruitment, training and development, talent retention, succession planning, performance compensation, reward and punishment mechanisms are to be reviewed/institutionalized.”

**Janmejaya K. Sinha (2004)<sup>63</sup> - 'The challenges in HR and IT'** stated that as for incentive, the present status is tenure based fixed compensation and poor measurement.

**Kazmi R, Amjad S and Khan D. (2008)<sup>64</sup>** conducted a case study on **“Occupational stress and its effect on job performance: A case study”** said that in workplaces where people are constantly afraid and insecure, employees are at risk of "turning numb" to protect themselves. This is clearly seen in the blank faces of sub staff's, the lack of enthusiasm by front line workers, and in the remarkably insensitive ways managers and employees treat each other. The very mechanism, which allows a person to survive an emotionally painful environment, also makes it difficult for them to respond sensitively and empathetically towards others. Stress affects employer's and employee's performance which questions the survival of both because if employees reduce their work efficiency there would be a great fall in productivity may affect the employer also. This tends to affect the organizational performance in an increasingly competitive market, but even jeopardizes their survival.

**R.K.Sahu(2009)<sup>65</sup>** “Competency Mapping” – he pointed that caompetencies are performance enablers and the key to superior performances. The major contribution of him was the evaluation of competency. In addition to competency mapping, a new method Will and skill mapping was introduced to evaluate the competency of the employees. There were different variables used for assessing will mapping are attendance, teamwork, reaction to criticism, discipline, initiative, responsibility, quality of job and support. Skill assesment is based on the gap analysis between desired level and actual level performance of employees.

**Jamal Nazrul Islam et.al (2012)<sup>66</sup>** in his study “**A Study On Job Satisfaction And Morale Of Commercial Banks Bangladesh**” said that in today’s changing world the business environment is changing rapidly. The emergence of e-commerce and development of information and technology plays a significant role in the nature of work as well as their attitude towards the organization. We have been experiencing a tremendous growth in banking sector of Bangladesh during the last decade of the twentieth century. Private commercial bank plays a vital role in the overall development of our economy. Though it is a challenging profession, people working in this sector have increased notably during last few years. In recent time banking sector have become the first choice for career development. In consideration of that factor, this study investigates job satisfaction among employees of all public and private commercial bank limited. The research method used an anonymous survey that was voluntarily completed and returned to the researcher. The study determined that morale and job satisfaction plays a vital role in overall performance of the employees in the workplace. The study also determined that social status, supportive colleagues and feeling secure about the job were the top three best reasons for working in the banks. It was also determined that pay, decision-making authority, and promotional policy were the three top priorities for improving the work environment.

### **Conclusion**

The above literature survey explained that the importance of human resources in the banks and different types of competencies needed to the staffs for their superior performance. Managers need such skills, in order to build a new organizational culture and meet future challenges. They help



organisations to clarify expectations, define future development needs and do more focused recruitment and development planning. Literature also pointed that the job satisfaction of the employees is the indicator of the sound banking system. It depends on the competencies of their employees.



- 3.1 Rationality of the Study
- 3.2 Conceptual Framework
- 3.3 Area of the Study
- 3.4 Sample Framework
- 3.5 Data Collection
- 3.6 Data Collection Period
- 3.7 Data Collection Tool Framing
- 3.8 Stationarity Test and Unit Root Test
- 3.9 Reliability and Validation Measures
- 3.10 Statistical Tools Applied in the Study

The last chapter was a discussion on the review of literature with respect to the topic of the study. In this chapter, a detailed discussion on the rationality of the study, research design and the methodology are presented.

### **3.1 Rationality of the Study**

The global banking scenario is currently undergoing radical transformation owing to the liberalization, privatization and globalization measures introduced by economies of the world. The Indian banking industry is not an exception. Banks play vital roles in the economic development of all countries. After nationalization of the major private sector banks in 1969, the government of India restricted private participation in the banking sector. This gave public sector banks complete protection. However, things changed since 1991. The decades that followed witnessed

sea changes in the working of banking sector. The entry of technology has made tremendous impact and revolutionized the working style of many public sector commercial banks of India. They started introducing 'anywhere banking' and 'anytime banking' to meet the growing customer needs. Rapidly changing market environment, fierce competition in the field, economic uncertainties, demanding customers force the banks the banks to excel in providing services to the customers. Customer focus and customer service has thus become the differentiating factors and the banks have to equip their employees to meet the new requirements. To excel and remain competitive in the banking industry it became imperative to deliver better services to customers than the competitors.

The competitive environment in the banking sector is forcing individual players to work out differentiated strategies based on their strengths and market niches. A bank's competitive status can be determined by the competency of its employee's in dealing with its customers. This largely depends upon the behavior pattern and the soft skills of the employees. Therefore, employing and retaining skilled workers and specialists, re-training the existing workforce and promoting a culture of continuous learning have become a challenge for the banking institutions. The present study is an attempt to analyze the competency of both managerial and clerical level employees of the selected Scheduled Commercial Banks headquartered in Kerala. This is to find out whether these categories of employees have the required skill sets to meet the challenges faced by the banking sector and if not what the banks do to equip them with the required skill sets.

### 3.2 Conceptual Framework

Banks have become an integral part of every country and they influence the life of the people. Even before the arrival of British in India, some kind of banking was practiced in India. But, the scope of such banks was confined to lending and borrowing and that too was on a limited and localized scale. During the British rule, banks sector started operations in an organized manner. But, these banks were in the private sector. After winning freedom, the Government of India felt the need for introducing social control on private sector banks. With this end, in view the Reserve Bank of India started making regulations and supervising operations of the banks. But, the social control measures did not produce the desired effects. Therefore, in 1969, the government of India nationalized the leading 14 private sector banks and in 1980, four more banks were nationalized. This made banking in India almost a monopoly of the state. Thereafter employees of nationalized banks began to work like government servants having no regard for their responsibilities to the customers. They used to keep customers in waiting by indulging in cross talks. There was no human touch at all in any of their activities.

The year 1991 witnessed the dawn of globalization. The decades that followed, the banking sector was opened to private players. This led to the emergence of a set of new generation banks, both Indian and foreign. These new generation banks created severe competition in the Indian banking sector. Consequently, the traditional banks started losing their business to the new generation banks because of the sophisticated methods and approaches adopted by the new generation banks. This forced traditional

banks to make a realistic evaluation about their capability to face the competition from the new generation banks. The evaluation revealed that a large number of employees in these banks were not trained in soft skills viz. communication, human relations, customer service etc. They were also not exposed to the use of modern technologies in promoting banking activities. The new generation private banks were far ahead of the traditional banks in imparting training to their employees in human skills and people skills as well as the use of modern technology in furtherance of banking activities.

Moreover, the world over, technology driven channels such as, ATM, net banking and mobile banking have reduced walk-in-customers at the bank branches. However, in India especially in Kerala, majority of customers are not accustomed to use this technology based channels and they are more comfortable with traditional banking to ensure error-free and risk-free banking service. While struggling to provide better and efficient service at the counters, the staff is also confronted with various regulatory norms to mitigate risks in operations. This clearly establishes that employees of scheduled commercial banks play a vital role in managing not only the ‘transactions’ of a customer but also future long-term relationship with them. In this respect, the behavioral competency of employees’ plays an important role.

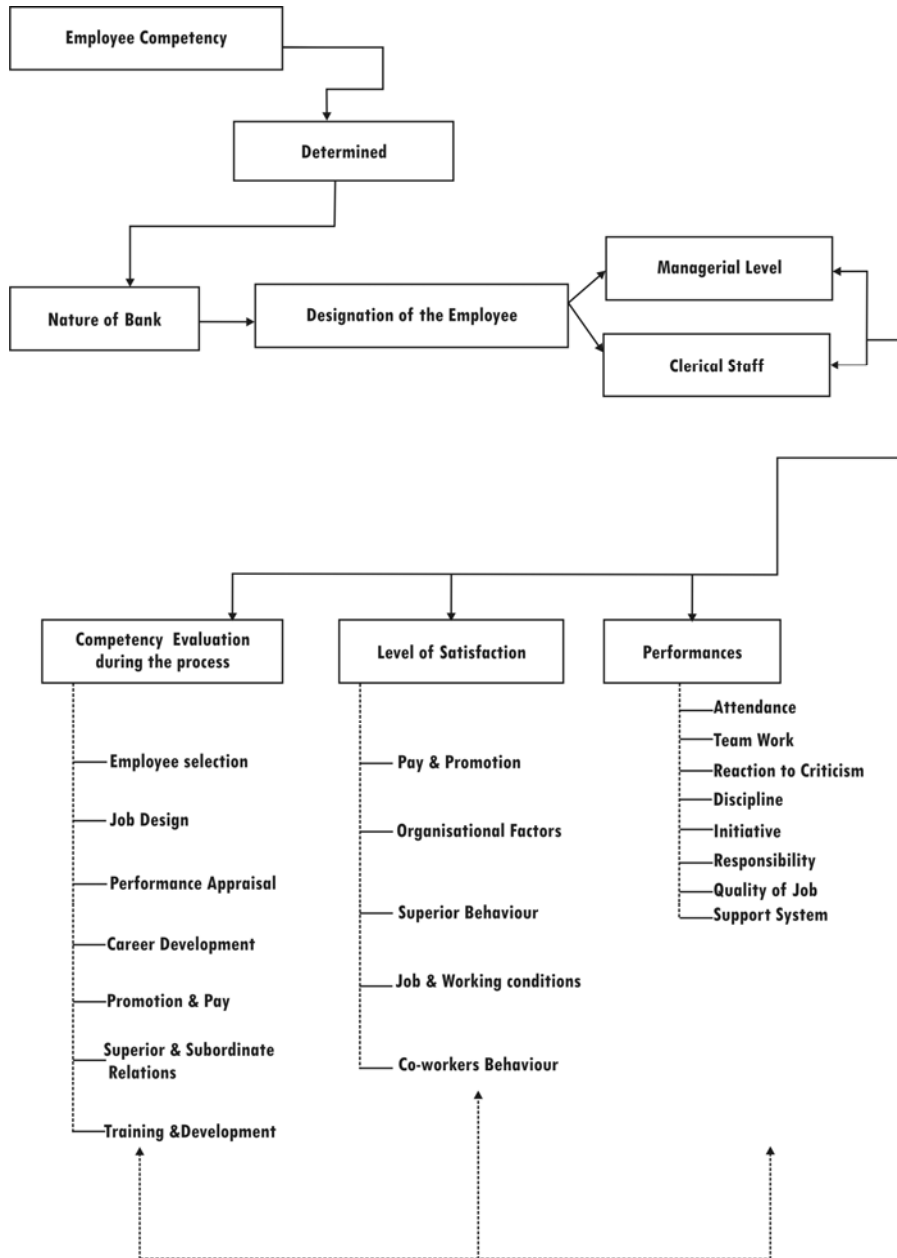
### **Literature Review**

S. C Gupta (2003) in his Report to the Indian Bankers Association indicated that the composition of bank staff will change as total computerization will render a part of the workforce surplus and so banks will go for a rightsizing exercise. This may be through another round of Voluntary Retirement Scheme (VRS) or outsourcing or re-deployment of

the existing staff to strengthen the marketing arms. With greater use of technology, recruitment will mostly be confined to manpower with specialized skills in technology applications. This can shift commitment of the employees from the organization to their profession and that could witness greater lateral movement of banking personnel. Training and skill development will, however, be continued to be key Human Resource (HR) functions. With the age profile of staff undergoing changes, banks will have to focus on leadership development and succession planning. Knowledge management will become a critical issue.

Study by Ramakrishna. G et.al (2012) revealed that in India the banking industry is becoming more competitive than ever. Private and public sector banks are competing to perform well. The executives of the banks are now in a position to modify their traditional human resources practice in to innovative human resources practices in order to meet the challenges from other competing banks. Hence, the Human Resource Development department has to play a more proactive role in shaping the employees to fight out the challenges. 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. Jyothi P and Jyothi V Sree (2009) and Das et.al (2012) stated that the success of the banking sector depends on competency of the employees in providing excellent services to the customers. So the assessment of competency is needed. R.K.Sahu (2009) and Naveed Saif et.al (2010) among the different competencies, behavioral competency and its assessment is an essential for employee performance. The conceptual framework for the study (Exhibit 3.1) is framed based on the understanding of the above developments.

**Exhibit: 3.1 Measure of Banking Employees' Behavioural Competency**



The present study aims at analysing the importance of employee competency evaluation during selection process, job design, performance appraisal, career development, promotion and pay, superior subordinate

relations and participations, training & development, prominent behavioural competencies accessed and level of satisfaction that contribute to their behavioural competency.

### 3.3 Area of the Study

In India, when compared to other states, Kerala boasts of a well-developed banking infrastructure. With progress of time, Kerala banking system has attained a high benchmark. Commercial banks play a vital role in the economic growth and overall development of the state of Kerala. So the area covered in this study is the various branches of the five commercial banks headquartered in Kerala, namely the State Bank of Travancore, the Federal Bank, the Dhanlaxmi Bank, the Catholic Syrian Bank and the South Indian Bank.

**Exhibit: 3.2** Brief Profile of Banks Headquarter In Kerala

Name of the Bank	Year of Starting	Place of Origin	Profile
Catholic Syrian Bank Limited	1920	Kerala	Catholic Syrian Bank Limited is a private sector bank situated in Thrissur City of Kerala state in India, Catholic Syrian Bank has 383 branches, and over 194 ATMs, and a net profit of ₹. 36.56 crore in 2007-08 on revenues of ₹.50 crore. Catholic Syrian Bank has a strong presence in rural India and around 80% of the bank's branches are located in the semi-urban and rural areas of India.
Dhanalakshmi Bank Limited	1927	Kerala	Dhanlaxmi Bank Ltd is an old private sector bank headquartered in Thrissur City of Kerala state in India. The bank was focusing mostly on Southern states like Karnataka, Tamil Nadu, Andhra Pradesh and Kerala but it is looking for a pan India presence since the last few years.
Federal Bank	1931	Kerala	Originally known as Travancore Federal Bank. Federal bank is a regional banking giant with strong national presence and global reach. From its humble beginning as Travancore Federal Bank Ltd, Federal Bank has grown to become India's largest private sector bank and is now the largest scheduled commercial bank in Kerala. For well over 5 decades Federal Bank has been known in Kerala for outstanding quality in financial products and services. Federal is unique on several fronts. Its pioneering spirit, customer focus, will to adopt and absorb positive trends, high productivity, professional management etc., are some of the facets of its uniqueness.
South Indian Bank Limited	1929	Kerala	South Indian Bank Limited (SIB) is a private sector bank headquartered at Thrissur City in Kerala, India. South Indian Bank has 750 branches spread across more than 26 states and union territories in India. It has set up 785 ATMs all over India.
State Bank of Travancore	1945	Kerala	Originally known as Travancore Bank Ltd.State Bank of Travancore (SBT), is a subsidiary of the State Bank Group and also has private share-holders. It is the premier bank of Kerala, India, where it has 676 branches. Overall, SBT has a network of over 879 branches spread over 16 Indian states.

[http://en.wikipedia.org/wiki/Banking\\_in\\_Kerala](http://en.wikipedia.org/wiki/Banking_in_Kerala)



### 3.4 Sample Framework

For this study, a multistage sampling technique was used. In the first stage, all the commercial banks headquartered in Kerala namely the State Bank of Travancore, the Federal Bank; the Dhanlaxmi Bank, the South Indian Bank and the Catholic Syrian Bank are taken for the study. In the second stage by using lottery method the researcher chose ten percent of the branches of these banks. That came to 197 bank branches. The split up is State Bank of Travancore (68 branches), Federal Bank (52 branches), Dhanlaxmi Bank (15 branches), Catholic Syrian Bank (25 branches) and South Indian Bank (37 branches). The selected branches of the banks are given in Table 3.1.

**Table 3.1:** Sample Framework

Strata	Actual Population of Bank Branches		Sample Population of Bank Branches	
	Value	%	Value	%
State Bank of Travancore	676	34.63	68	34.52
Federal Bank Limited	518	26.54	52	26.40
South Indian Bank Limited	367	18.80	37	18.78
Catholic Syrian Limited	246	12.60	25	12.69
Dhanlaxmi Bank Limited	145	7.43	15	7.61
Total	1952	100	197	100

Source: [www.rbi.org.in](http://www.rbi.org.in).

In the third stage, the target respondents of the selected branches of the banks were stratified in to two groups-- managers and clerical staff. Then from each stratum, the respondents were chosen by applying the lottery method. From each bank branch, a sample of two higher officials in administrative carder and three clerk level officers were chosen as the sample population that is in the ratio of 40:60 (forty per cent of senior officials and 60 per cent of junior officials). The number of respondents selected from each stratum of the selected branches of the banks is shown in Table 3.2.

**Table 3.2** Sample Framework

Strata	Sample Population of Bank Branches		Managerial Staff (Values in Number)		Clerical Staff (Values in Number)	
	Value	%	Value	%	Value	%
State Bank of Travancore	68	34.52	136	34.52	204	34.52
Federal Bank Limited	52	26.40	104	26.40	156	26.40
South Indian Bank Limited	37	18.78	74	18.78	111	18.78
Catholic Syrian Limited	25	12.69	50	12.69	75	12.69
Dhanlaxmi Bank Limited	15	7.61	30	7.61	45	7.61
Total	197	100	394	100	591	100

Source: As per Employee Enrollment Recorded in Official Attendance Ledger

Out of 985 bank officers were surveyed. This included 591 clerical staff and 394 officers. With the support of a well-structured questionnaire, information was collected from the selected respondents. At the end of data collection, it was found that 94 questionnaires were found either missing or unfilled. These questionnaires were deducted from the actual sample and the effective sample for the study was restricted to 369 Managerial officers and 522 clerical staffs. The overall response rate was thus 90.46 percent (891/985), which was considered satisfactory for subsequent analysis.

### 3.5 Data Collection

The data collection for the study was conducted at two stages. In the first stage, the researcher concentrated on desk research. Thus, data were collected from bank reports, RBI database, HRM reports published in journals, magazines and web sites related to the problem. In the second stage, data were collected from the respondents using well-structured questionnaires.

### 3.6 Data Collection Period

Data were collected for the period 2001-02 to 2012-13. The various sources of data were the Data Bank on Indian Commercial Banks published

by the Indian Banks' Association, the Statistical Tables Relating to Banks in India published by the Reserve Bank of India for various years and the website of the Reserve Bank of India.

### **3.7 Data Collection Tool Framing**

Two questionnaires are used for data collection. One questionnaire is for collecting information from managerial staff and the second one for collecting information from the clerical staff. The time series data about the employee performance are collected from the website of the Reserve Bank of India for a period of twelve years.

- Queries related to socio-economic and job profile of the employees to gather information about age, gender, educational qualifications, designation, mode of entry to current designation, experience length and salary scale.

The following variables are framed to evaluate how far competency aspect is considered in banks:

- Queries related to consideration of competency in employee selection, Job design, Performance appraisal, Career development, Promotion & Pay structure, Training & Development and inter-personnel relationship.
- Employees' level of satisfaction towards organisation, pay, promotion, job and work conditions and inter-personnel relationships are measured with four-point scale.
- Individual competency is measured based on Will parameter. It contained information on eight important behavioural competency

aspects such as Attendance, Team Work, Reaction to Criticism, Discipline, Initiative, Responsibility, Quality job and Support.

- Employee Skill assessment is done based on desired and actual performance. Through the discussion bank managerial officials, the areas are decided such as Marketing transfer, Retail and loans, NRI banking, Customer relationship, Commercial purpose, Billing, Personal loan, Deposits, Legal, Savings, Cash present, Advances, Credit, Loans and advances and gold loan.

### 3.8 Stationarity Test and Unit Root Test

The stationarity of the data were checked using unit root test to avoid spurious results. Augmented Dickey-Fuller (ADF) test is used for co-integrating the data (Gujarati, 2003).The researcher has checked the unit root of 5 percent critical  $\tau$  value of different levels. The stationarity of a variable is proved only when the estimated value is lesser than the critical value at 5 percent levels of significance.

Table 3.3 to Table 3.7 present the results of ADF test with respect to the performance of employees in the selected banks.

**Table: 3.3** Unit Root/Co-Integration Results of State Bank of Travancore Employee Performances

Variables	UT(-1) ( $\tau$ )	D(UT(-1)) ( $\tau$ )	D(UT(-1),2) ( $\tau$ )	Critical Value (5%)	Results
Number of employees	-.76163	-	-	-4.0816	Stationary
Business per employee	-	.99886	-	-4.0816	Stationary
Deposits per employee	-	-	1.6241	-4.0816	Stationary
Investments per employee	-	.80901	-	-4.0816	Stationary
Advances per employee	-	1.4873	-	-4.0816	Stationary
Gross profit per employee	-	1.0416		-4.0816	Stationary
Net profit per employee	-	-	.62207	-4.0816	Stationary
Spread per employee	-	-	.76987	-4.0816	Stationary

Source: RBI (2001-13)

The stationarity test was conducted for eight variables to ascertain first, second and third differences. The test shows that in the case of State Bank of Travancore employee performance is significant at first differences for one variable number of employees. At second difference, there are four variables: business per employee, investments, advances and gross profit per employee and in third differences three variables are listed. They are deposits, net profit and spread per employee.

**Table: 3.4** Unit Root/Co-Integration Results of Federal Bank Limited Employee Performances

Variables	UT(-1) ( $\tau$ )	D(UT(-1)) ( $\tau$ )	D(UT(-1),2) ( $\tau$ )	Critical Value (5%)	Results
Number of employees	-	1.3700	-	-4.0816	Stationary
Business per employee	-	.85719	-	-4.0816	Stationary
Deposits per employee	-	1.0190	-	-4.0816	Stationary
Investments per employee	-	1.2236	-	-4.0816	Stationary
Advances per employee	-	1.4498	-	-4.0816	Stationary
Gross profit per employee	-	.88236	-	-4.0816	Stationary
Net profit per employee	-	.79478	-	-4.0816	Stationary
Spread per employee	-	.72491	-	-4.0816	Stationary

Source: RBI (2001-13)

Table 3.4 indicates the result of Augmented Dickey-Fuller (ADF) test with respect to Federal Bank Employees. From the ADF test analysis, it is inferred that the stationarity tests for eight variables are derived at first, second and third differences. The time series data collected for employee performances of Federal Bank Limited are observed to be significant at second differences for all the eight variables considered for the analysis.

**Table: 3.5** Unit Root/Co-Integration Results of Dhanlaxmi Bank Limited Employee Performances

Variables	UT(-1) ( $\tau$ )	D(UT(-1)) ( $\tau$ )	D(UT(-1),2) ( $\tau$ )	Critical Value (5%)	Results
Number of employees	-	.803	-	-4.0816	Stationary
Business per employee	-	.9120	-	-4.0816	Stationary
Deposits per employee	-	.8900	-	-4.0816	Stationary
Investments per employee	-	.7790	-	-4.0816	Stationary
Advances per employee	-	.9250	-	-4.0816	Stationary
Gross profit per employee	-	-.1800	-	-4.0816	Stationary
Net profit per employee	-	-.5790	-	-4.0816	Stationary
Spread per employee	-	.6170	-	-4.0816	Stationary

Source: RBI (2001-13)

Table 3.5 indicates the result of Augmented Dickey-Fuller (ADF) test. From the above test analysis it has inferred that the stationarity tests for eight variables are derived at first, second and third differences. The time series data collected for employee performances of Dhanlaxmi Bank Limited are observed to significant at second differences for all the eight variables considered for analysis.

**TABLE: 3.6** Unit Root/Co-Integration Results of Catholic Syrian Limited Employee Performances

Variables	UT(-1) ( $\tau$ )	D(UT(-1)) ( $\tau$ )	D(UT(-1),2) ( $\tau$ )	Critical Value (5%)	Results
Number of employees	-.3720	-	-	-4.0816	Stationary
Business per employee	.9500	-	-	-4.0816	Stationary
Deposits per employee	-	.3140	-	-4.0816	Stationary
Investments per employee	-	-	-.0160	-4.0816	Stationary
Advances per employee	-	-.0420	-	-4.0816	Stationary
Gross profit per employee	-	-	.0030	-4.0816	Stationary
Net profit per employee	-.1120	-	-	-4.0816	Stationary
Spread per employee	-	.2210	-	-4.0816	Stationary

Source: RBI (2001-13)

Table 3.6 presents the result of ADF test. From the test analysis it has inferred that the stationarity tests for eight variables are derived at first, second and third differences. The time series data collected for employee performances of Catholic Syrian Bank Limited are observed to significant at first differences for three variables number of employees, business and net profit per employee. At second differences there are three variables: deposits, advances and spread per employee and in third differences two variables are listed, they are investment and gross profit per employee.

**Table: 3.7** Unit Root/Co-Integration Results of South Indian Bank Limited Employee Performances

Variables	UT(-1) ( $\tau$ )	D(UT(-1)) ( $\tau$ )	D(UT(-1),2) ( $\tau$ )	Critical Value (5%)	Results
Number of employees	-	.9770	-	-4.0816	Stationary
Business per employee	-	.9760	-	-4.0816	Stationary
Deposits per employee	-	.8890	-	-4.0816	Stationary
Investments per employee	-	.9730	-	-4.0816	Stationary
Advances per employee	-	.8650	-	-4.0816	Stationary
Gross profit per employee	-	.7900	-	-4.0816	Stationary
Net profit per employee	-	.9780	-	-4.0816	Stationary
Spread per employee	-	.9110	-	-4.0816	Stationary

Source: RBI (2001-13)

Table 3.7 indicates the result of ADF test. From the test analysis it has inferred that the stationarity tests for eight variables are derived at first, second and third differences. The time series data collected for employee performances of South Indian Bank Limited are observed to significant at second differences for all the eight variables considered for analysis.

### 3.9 Reliability and Validation Measures

The reliability of an indicator is defined as its overall quality, i.e. its consistency and its ability to give the same results in repeated

measurement. The most outstanding feature of reliability is the test-retest correlation of the specific measure under scrutiny. It is well-known that minor differences in circumstances and technical features of the specific questionnaire used, affect the reported causes for stress, its level of occurrence and coping strategies. Correspondingly, the test-retest correlation for most single-item measures is presented following table.

**Table: 3.8** Cronbach's Alpha for the Variables

General Variables	Number of items	Range	Officers	Clerical staff
			Cronbach's alpha	Cronbach's alpha
Employee selection	2	1-5	.812	.736
Job Design	2	1-5	.807	.725
Performance appraisal	2	1-5	.868	.813
Career development	2	1-5	.864	.787
Promotion and pay	3	1-4	.863	.792
Superior subordinate relationship& participations	2	1-4	.862	.776
training & development	1	1-4	.867	.785
Level of satisfaction	5	1-4	.866	.768
Attendance	1	1-5	.868	.787
Team Work	1	1-5	.896	.712
Reaction to Criticism	1	1-5	.840	.766
Discipline	1	1-5	.845	.764
Initiative	1	1-5	.815	.742
Responsibility	1	1-5	.816	.763
Quality job	1	1-5	.815	.753
Support	1	1-5	.846	.771

Source: Computed from Primary Data

The most widely used measure to assess the internal consistency of constructs is Cronbach's alpha. The generally agreed upon value of



Cronbach's alpha is 0.70, although it may decrease to 0.60 in case of exploratory research (Hair et al. 2006; p. 137). In this study, the reliability measure for the whole scale is 0.852 for senior and .770 for junior officers, which is acceptable. Again the reliability for all the constructs is shown in Table 3.3; the values for all the constructs range between 0.815- 0.896 for senior officers and .712-.813 in the case of junior officers, which is acceptable. Hence, construct reliability in this research is satisfactory. The result of Cronbach's alpha draws a significant amount of correlation between the variables tested. The validity of a test is the extent to which differences in scores reflect differences in the measured characteristic. Predictive validity is a measure of the usefulness of a measuring instrument as a predictor. Proof of predictive validity is determined by the correlation between results and actual behavior. Construct validity is the extent to which a measuring instrument measures what it intends to measure.

The primary data for this study are collected through a structured questionnaire to answer the research questions and objectives. The structured questionnaire consists of 13 distinct sections each of which contains queries pertaining to personal and job profile of the bank officers and staffs, importance of the competency in the present environment of the bank, Will competency parameter assessment and future expected job growth. The secondary data needed for the study were sourced from various magazines, journals, internet and thesis works. The data collected are analysed and tabulated with help of SPSS package version 19.

### 3.10 Statistical Tools Applied in the Study

For the application of statistical tools, the data collected were classified and tabulated.

- Summary statistics was applied to measure mean, SD and CV to find the variation between or among the employee performance parameters.
- The measure of Dispersion, Co-efficient of variance, ACGR and financial trend were used to depict employee performance under various parameter from 2001-2013.
- The frequency distribution of the variables has helped the researcher to calculate distribution value of variables tested.
- Weighted arithmetic means and scaling techniques helped in interpreting the averages.
- One-way ANOVA test was applied to measure the association between demographic and socio-economic status and employees' competency level in selected banks.
- Paired 't' test is applied to measure superior and subordinate's understanding on each other's performances.
- Same test is applied to measure the existing gap between employees' desired level of competency and the actual level and the importance of evaluation of competencies during HR practices.
- With the help of Rotation Factor analysis, employee's competency differs from one bank to another were proved.



## **BANKING SYSTEM IN INDIA AND THE NEED FOR ENHANCING BEHAVIOURAL COMPETENCY OF BANK OFFICERS WORKING IN SCHEDULE COMMERCIAL BANKS OPERATING IN INDIA**

- 4.1 Overview of Banking in India
- 4.2 Changing Role of Banks in India
- 4.3 Importance of HRM Practices
- 4.4 HRD in Indian Banking Sector
- 4.5 Need of Employee Competency
- 4.6 Role of the Indian Institute of Banking & Finance (IIBF)  
In Enhancing Banking Employees' Competency
- 4.7 Building Change Competence in Employees
- 4.8 Dimensions of Competency
- Conclusion

After discussing the research methodology in the last chapter here it is proposed to discuss the HRM practices adhered in Indian banking sector and the level of employee competency that currently prevail in this sector.

### **4.1 Overview of Banking in India**

Banking System is the backbone of every country's economy. It is generally agreed that a strong and healthy banking system is a prerequisite for sustainable economic growth and development. Banks play a substantial role in capital accumulation, firm's growth and economic prosperity. A sound and profitable banking system always supports to face the negative shocks and contribute to the stability of the financial system. Banks are in a business that receive deposits or liabilities and issue debt securities on the

one hand and create or invest in assets on the other. A bank collects the savings and disburses the same in various productive sectors.

The Indian Banking sector has played a commendable role in sustaining growth in the economy. In the recent, a large part of the growth of the banking sector was energised by financing consumption, as reflected in the growth of retail banking. Profitability, viability and development of financial institutions are directly affected by the quality and performance of advances. Indian banks are weighted down by enormous amounts of bad debts that threaten the very health of the banking system. In fact, banks extended large number of loans to all sector at the request of ruling governments and policy makers, but their experience with these borrowers has not been satisfactory.

The new economic reforms have given a new thrust to the Indian banking sector as a whole and private sector banks in particular. The banking system in the country has undergone a sea - change with the introduction of prudential norms on income recognition, asset classification and their provisioning. In spite of commanding role of the Indian banking sector in the last five decades under the competitive global environmental conditions, the banking sector currently suffers from a number of weakness such as low recovery rate of credit, high costs, poor management practices, trade union pressures, political interferences, unprofitable branches and mounting Non-Performing Assets (NPAs).

## **4.2 Changing Role of Banks in India**

In a developing country, banking is seen as an important instrument of development. The role of banks in India has changed a lot since the economic reforms of 1991. These changes came due to LPG, i.e. liberalization, privatization and globalization policy being followed by

Government of India. Since then most traditional and outdated concepts, practices, procedures and methods of banking have changed significantly. Today, banks in India have become more customer-focused and service-oriented than they were prior to 1991. They now also give a lot of importance to their rural customers. They are even willing to help them and serve regularly the banking needs of country-side India. The changing role of banks in India can be glanced in points depicted in exhibit 4.1

**Exhibit: 4.1** Changing Role of Banks in India

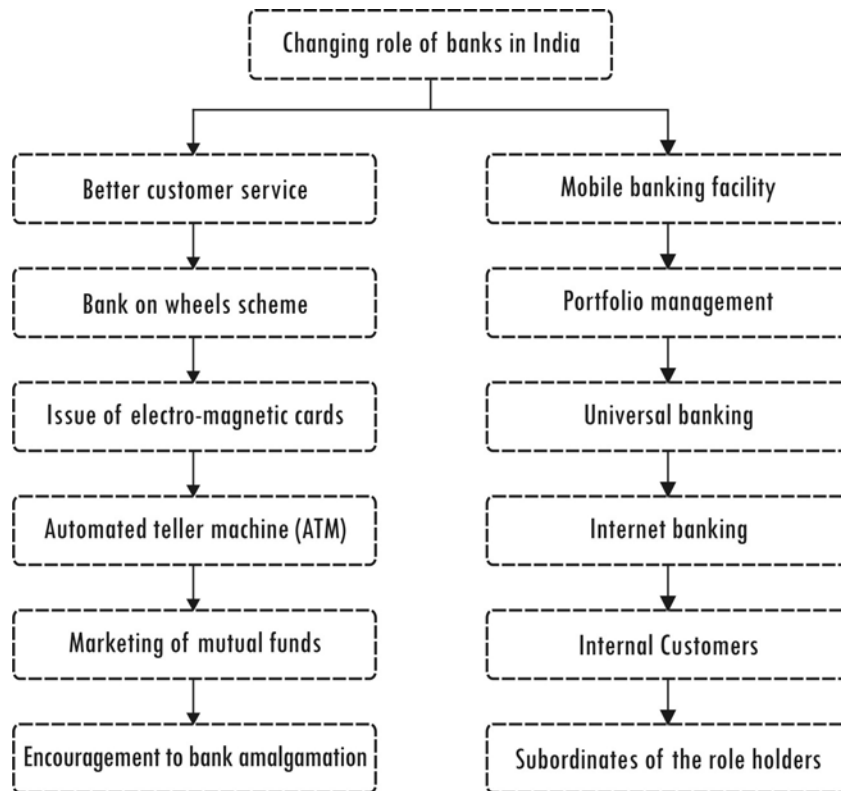


Exhibit 4.1 indicates that the role of banks in India is changing. Now let's note the changes taking place in the Indian banking sector.

### **Better Customer Service**

Before 1991, the overall service provided by banks in India was very poor. There used to be very long queues (lines) to receive payment for cheques and to deposit money. In those days, some bank's staffs were very rude to their customers. However, all this changed remarkably, after India initiated economic reforms in 1991. Banks in India have now become very customer and service focused. Their service has become quick, efficient and customer-friendly. This positive change is mostly due to rising competition from new generation private banks and the initiation of Ombudsman Scheme by the RBI.

#### **i. Mobile Banking**

Under mobile banking service, customers can easily carry out major banking transactions by simply using their cell phones or mobiles. Here, first a customer needs to activate this service by contacting his bank. Generally, bank officer asks the customer to fill a simple form to register (authorize) his mobile number. After registration, this service is activated, and the customer is provided with a username and password. Using secret credentials and the registered phone, customer can now comfortably and securely find his bank balance, transfer money from his account to another, ask for a cheque book, stop payment of a cheque, etc. Today, almost all banks in India provide mobile-banking service.

#### **ii. Bank on Wheels**

The 'Bank on Wheels' scheme was introduced in the North-East Region of India. Under this scheme, banking services are made accessible to people staying in the far-flung (remote) areas of India. This scheme is a generous attempt to serve banking needs of rural India.

### **iii. Portfolio Management**

In portfolio management, banks do all the investment work of their clients. Banks invest their clients' money in shares, debentures, fixed deposits, etc. They first enter a contract with their clients and charge them a fee for this service. Then they have the full power to invest or disinvest their clients' money. However, they have to give safety and profit to their clients.

### **iv. Issue of Electro-Magnetic Cards**

Banks in India have already started issuing Electro-Magnetic Cards to their customers. These cards help to carry out cashless transactions, make an online purchase, avail ATM facility, book a railway ticket, etc. Banks issue many types of electro-magnetic cards, which are as follows:

- a) **Credit cards** help customers to spend money (loaned up to a certain limit as previously settled by the bank) which they don't have in hand. They get a monthly statement of their purchases and withdrawals. Along with the transacted amount, this statement also includes the interest and service fee. The entire amount (as reflected in the statement of credit card) must be paid back to the bank either fully or in installments, but before due date.
- b) **Debit cards** help customers to spend that money which they have saved (credited) in their individual bank accounts. They need not carry cash but instead can use a debit card to make a purchase (for shopping) and/or withdraw money (get cash) from an ATM. No interest is charged on the usage of debit cards.
- c) **Charge cards** are used to spend money up to a certain limit for a month. At the end of the month, customer gets a statement. If he has

a sufficient balance, then he only had to pay a small fee. However, if he does not have a necessary balance, he is given a grace period (which is generally of 25 to 50 days) to repay the money.

- d) **Smart cards** are currently being used as an alternative to avail public transport services. In India, this covers Railways, State Transport and City (Local) Buses. Smart card has an integrated circuit (IC) embedded in its plastic body. It is made as per norms specified by ISO.
- e) **Kisan credit cards** are used for the benefit of the rural population of India. The Indian farmers (Kisans) can use this card to buy agricultural inputs and goods for self-consumption. These cards are issued by both Commercial and Co-operative banks.

#### v. **Universal Banking**

In India, the concept of universal banking has gained recognition after the year 2000. The customers can get all banking and non-banking services under one roof. Universal bank is like a super store. It offers a wide range of services, including banking and other financial services like insurance, merchant banking etc.

#### vi. **Automated Teller Machine (ATM)**

There are many advantages of ATM. As a result, many banks have opened up ATM centers to offer convenience to their customers. Now banks are operating ATM centers not only in their branches but also at public places like airports, railway stations, hotels, etc. Some banks have joined together and agreed upon to set up common ATM centers all over India.



**vii. Internet Banking**

Internet banking or E-banking or net banking: Under this system, the customer can do banking transactions through the medium of the internet or World Wide Web (WWW). The customer need not visit the bank's branch. Through this facility, the customer can easily inquire about his bank balance, transfer funds, request for a cheque, book, etc. Most large banks offer this service to their tech-savvy customers.

**viii. Encouragement to Bank Amalgamation**

Failure of banks is well protected with the facility of amalgamation. Therefore, depositors need not worry about their deposits. When weaker banks are absorbed by stronger banks, it is called amalgamation of banks.

**ix. Encouragement to Personal Loans**

Today, the purchasing power of Indian consumers has increased dramatically because banks give them easy personal loans. Generally, interest charged by the banks on such loans is very high. Interest is calculated on reducing balance. Large banks offer loans of huge amount like rupees one crore and above. Some banks even organise Loan *Mela* (Fair) where loans are sanctioned on the spot to deserving candidates after they submit proper documents.

**x. Marketing of Mutual Funds**

A mutual fund collects money from many investors and invests the money in shares, bonds, short-term money market instruments, gold assets; etc. Mutual funds earn income by interest and dividend or both from its investments. It pays a dividend to subscribers. The rate of dividend fluctuates with the income on mutual fund investments. Now banks have

started selling these funds in their own names. These funds are not insured like other bank deposits. There are different types of funds such as open-ended funds, closed-ended funds, growth funds, balanced funds, income funds, etc.

#### **xi. Social Banking**

The government uses the banking system to alleviate poverty and unemployment. Many social development programmes are initiated by the banks from time to time. The success of these programmes depends on financial support provided by the banks. Banks supply a lot of finance to farmers, artisans, scheduled castes (SC) and scheduled tribe (ST) families, unemployed youth and people living below the poverty line (BPL).

In the context of the scenario explained the need for enhancing competency of the banking staff has become imperative.

### **4.3 Importance of HRM Practices**

Human resource management is developed as a part of management. In simple sense, human resource management means employing people, developing their resources, utilizing, maintaining and compensating their services in tune with the job and organizational requirements with a view to contribute to the organization, individual and the society. Human resource is an important asset for any organization. Human resources are a private variable without which the inanimate assets are worthless. Human resources are also known to be as people management. HR is the bridge between people and management of the company. In earlier days, personnel department dealt only with the administration of people oriented activities.

Later emerging trends of people resources plays a major role in organization development. Corporate started to think personnel department as valuable one. Modern concepts evolved in the human resources in order to use personals of organization in more effective manner. Organization started to give importance to employee's problems like stress, conflicts, team building, interpersonal and intra-personal relationships due to various reasons like attrition rate, demand for knowledge, to meet globalization, training overheads etc. But no single rigid system is followed in industries. HR system differs from industry to industry and even from company to company.

In today's global and competitive business environment, to thrive, organizations need highly competent employees. The capabilities of its employees decide if an industry succeeds in business or buckles up under intense competition. But, many industries are finding it difficult to determine whether employees have the capabilities needed for success. The capabilities needed vary from one business unit to another and even across roles within a business unit. So, many industries now a days use competency models to identify the knowledge, skill and personal characteristics required to perform a job successfully.

#### **4.4 HRD in Indian Banking Sector**

Human Resource Development (HRD) has assumed considerable importance in the recent years. In business organization or a bank, the development of human resource is necessary for its efficient and effective working. Liberalisation of Indian economy has not only triggered changes in the whole economy, including the banking sector, but has also thrown up challenges for banks, in general, and public sector banks, in particular. Human Resource Management (HRM) is an important element in the

business process evolution, post-liberalisation, has given a strategic telescopic focus is subject to debate.

During the post liberalization period, banks faced various HR issues. Some of these are:

- i. Changed business positioning is to align with the global players and technology to implement the business positioning
- ii. Repositioning of the people in the organisation to effect the changing banking paradigm
- iii. The real challenge for Indian banks, how to transform into global corporations without losing the positive values and culture that they have developed
- iv. As most part of the jobs in banks are monotonous/repetitive and routine, the HRD Department has to empower, engage and energize employees to create effectiveness and efficiency through motivation organizational structures, systems & procedures which facilitate of these the need to focus greater attention on these aspects of the industry
- v. The emergence of a core and peripheral workforce in many organization has presented new challenges for HR managers of public & private sector organizations that are fast becoming diverse communities for core workers, flexibly employed casual and part-time workers, consultants, contractors & business partners
- vi. Certain rigidities have also developed in HRD within banking system itself because this industry is largely in the public sector

- vii. New generation private banks entered with clear business positioning (investment, retail, and corporate banking) and to a certain extent lured away the cream of experienced and trained human resource in the respective fields from public sector banks (PSBs) and that too in the lower and middle management levels (that constituted the core customer relations human resource) and
- viii. the training establishments need to be actively involved in the total training process starting from the identification of training needs, evaluation of training.

The core function of HRD in the banking industry is to facilitate performance improvement and enhance employee competency, measured not only in terms of financial indicators of operational efficiency but also in terms of the quality of financial services provided. Factors like skills, attitudes and knowledge of the human capital play a crucial role in determining the competitiveness of the financial sector. The quality of human resources indicates the ability of banks to deliver value to customers. Capital and technology are replicable but not the human capital that needs to be valued as a highly valuable resource for achieving the competitive edge. The primary emphasis needs to be on integrating human resource management strategies with the business strategy. HRM strategies include managing change, creating commitment, achieving flexibility and improving teamwork.

#### **4.4.1 Role of HRM in Banks**

The banking industry is a highly regulated powerhouse that stabilizes the economic environment of nations around the world. Banks store sensitive, personal information about their clients, and commercial banks often house more valuable inventory -cash - than other retail operations.

Bank employees, from executives to tellers, must have a higher level of integrity and trustworthiness than employees in most other industries

- Select, identify and develop the right person for the right job.
- Retain the competent employees in rapidly changing technological environment.
- Creating work culture provides such a working environment where people feel satisfied and enjoy their work.
- To educate and to bring about the changes in the attitudes managerial personnel towards human resource approach.
- Framing human resource policies and strategies according to the needs and expectations of various people in the organization
- Develop a two-way communication system.
- Ensure the punctuality and regular attendance of the staff.
- To appraise the performance of the Branch staff in a timely and fair manner and ensure safekeeping of the filled Appraisal forms.
- Ensure proper maintenance of leave/ service /contract records of each employee.
- Allocate staff responsibilities for efficient and effective implementation of the operational plan / accounting / administrative work.

#### **4.5 Need of Employee Competency**

India is fast emerging as a Human Resource Powerhouse for the world where 11 million workforces is getting added to the job market every year. This paves way for tough competition that will result in high demand

and expectation from the organisations. With high demand on job requirements, employees should prepare themselves for this scenario and hone the skills accordingly. As corporate India is becoming more global and diverse, organisations across industry sectors are recruiting talents from various geographies. Companies are therefore looking for employees with effective social skills who can fit into the organisation's culture. Thus, in short, it can be said that employers now-a-days are making higher demand from their employees' competencies than five years ago and job requirements are likely to become even more demanding in the next 5 years.

#### **4.5.1 Employee Competency in Banking Sector**

The banking scenario in India is at cross roads and is continuously evolving, but the progress has been remarkable over the decade with the level of competition increasing in the banking industry. "Competency is a set of skills, related knowledge and attitudes that allow an individual to perform a task or an activity within a specific function or job". Banking industry moves from a transaction-centric to a relationship-centric business approach. Competency is a standardized requirement for an individual to perform a specific job. It encompasses a combination of knowledge, skills and behavior utilized to improve performance. More generally, competency is the state or quality of being adequately or well qualified, having the ability to perform a specific role.

For instance, management competency includes the traits of systems thinking and emotional intelligence, and skills in influence and negotiation. A person possesses a competency as long as the skills, abilities, and knowledge that constitute that competency are a part of that person, enabling the person to perform effective action within a certain workplace

environment. Therefore, one might not lose knowledge, a skill, or an ability, but still lose a competency if what is needed to do a job well changes.

Competency is also used to work with more general descriptions of the requirements of human beings in organizations and communities. Examples are educations and other organizations that want to have a general language to tell what a graduate of an education must be able to do in order to graduate or what a member of an organization is required to be able to do in order to be considered competent. An important detail of this approach is that all competencies have to be action competencies, which means that a person shows in action that that person is competent. In the military, the training system for this kind of competency is called artificial experience, which is the basis for all simulators.

Competency is one of the most essential concepts for business to achieve success in any of the day-to-day job performance responsibilities from task management to recruiting, from training & development to advancement. Competency for your business is having personnel with the ability to execute the principles, skills, behaviors, processes and techniques needed to perform a given task, procedure or set of tasks to achieve your desired results.

Banks are functioning increasingly under competitive pressures emanating from within the banking system, from non-banking institutions as well as from the domestic and international capital markets. Thus, in this era of increased competition in order to prosper, it will be imperative for banks to focus on developing long term relationships. The operating principle is to “Build good relationship and profitable transaction will follow automatically”.



#### **4.5.2 Significance of Employees' Competency in Banking**

In the globalized Indian economy, all the industries are doing well in the market and Indian banks are also performing well comparatively. In the booming economy and the continuing expansion most of the banks facing challenges to perform well and it clearly brought out by the fact that contrary to public perception, it is not just the new private sector banks that are doing well. A few public sector banks are functioning well. They got a place among the top 10 best performing Indian banks. It is worth mentioning that these public sector banks have performed so admirably in spite of the fact that they operate with many handicaps, such as strong unions and the inability to offer market salaries and incentives and burdened with huge workforce. The secret of success of any company simply depends on how they treat employees and keep them satisfied. For that, they have design their human resources process like recruitment, selection, training and development, performance appraisal and other based on employee perspective in order to benefit them. In India the banking industry becoming more competitive than ever, private and public sector banks are competing each other to perform well. The executives of banks are now in the position to modify their traditional human resource practices in order to meet the challenges from other competitive banks.

Banking being a service sector industry, productivity of the staff has a significant bearing on the banks overall performance. Profitability based indicator -the profit per employee of public sector banks witnessed a significant rise between the period 1996-97 and 1999-2000. It rose from about Rs.35000/- per employee to about Rs.65000/-. This is so conspicuous that much prominence is attached to the people who deliver services to the wider stakeholders of the Banks.

**Exhibit 4.2 gives SWOT analysis of Indian commercial banks in HR context****Exhibit: 4.2** SWOT Analysis of Indian Commercial Banks (In HR Context)

<b>Strengths</b>	<b>Weaknesses</b>
High skilled personnel in middle and low level in banks	Poor technology infrastructure
Aggression towards the development of the existing standards	Presence of more number of smaller banks that would likely to be impacted adversely
Strong regulatory impact by central bank to all banks for implementation	Poor compensation system
Presence of intellectual capital to face the change in implementation with good quality	Poor talent management
<b>Opportunities</b>	<b>Threats</b>
Availability of fresh talent to strengthen the bank operations	Inability to meet additional capital requirements
Increasing risk manage expertise	Huge investment in technology
Need significant connection among business, credit & risk management and information technology	Entrance of foreign banks to capture talent HR
-	Increasing the cost of human capital

Source: Jagannath Mishra & Pankaj Kumar Kalawatia: Basel II: Challenges Ahead of the Indian Banking Industry 2008.

In future, the response of Indian banks to the challenges imposed by the changing economic and business environment will mainly depend upon the extent to which they can leverage their intrinsic strength called human resources. The banking system confronts certain rigidities in this regard. Especially, the large public ownership has operated as a drag on human resources development, particularly on skill development, management change and career planning. A major challenge for many banks will be to develop the special competencies and skills for credit appraisal and risk management in an environment of deregulation and openness. As emphasized by Bimal Jalan, Former Governor of Reserve Bank of India, the recommendation of the second Narasimhan Committee could provide useful guidance to banks particularly in recruiting skilled manpower from the open

market, including lateral induction of experts and deployment of existing staff in new business and activities after suitable training. In this context, the importance of building and reinforcing corporate vision and culture that fosters creativity and recognizes talent and merit cannot be regulated to the behind.

The Human Resource Development department has to play a more proactive role in shaping the employee to flight out the challenges. The banks not only have to make plans and polices and devise strategies, the actual functionaries have to show willingness, competence and effectiveness in executing the said policies and strategies. In 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.

They are in a position 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 bank. Indeed, they have excellent opportunity to implement the desired human resources policies to improve and strengthen the organization to withstand the onslaught of fierce competition in future. Based on this perspective, an attempt has been made to highlight the factors which may lead to substantial transformation of banks to compete in an environment of risk and uncertainty.

#### **4.6 Role of the Indian Institute of Banking & Finance (IIBF) In Enhancing Banking Employees' Competency**

Indian banks also realized that with organic growth there is a need to grow inorganically as well, to be competitive with other players in the market.

The banking in India, as the world over, is undergoing rapid transformation. The business of banking is not only expanding its frontiers, both physical and functional, but also increasingly becoming sophisticated. The business processes are getting highly computerised with customer preferences and convenience dominating the drive besides the competitive forces. The decision-making skills with the perceptive approach of Risk Management in all the business decisions are adding a new dimension to the managerial competence.

In this scenario, the only way the functionaries of banks can keep pace with the change and make contribution to the growth of sound banking business is to be professionally knowledgeable. Bank employees today are expected to move between roles throughout their career and therefore they need to be flexible. The employers expect their workforce to be competent, flexible and increasingly productive, with a high quality of work produced. The customers expect high standards of service from the employees. In this context, it will be appropriate to expect that the employees take control of their own development so that they are able to respond to their employer's and customers' expectations while shaping their own career in an increasingly competitive industry. Staff reductions, limited opportunities for progression and competition are all compelling reasons for one to take control of the career.

Competencies help to improve the individual performance, by modeling the behaviors that make high performing employees successful in their jobs. In this way, we can use competencies to further professional development. These competencies help lay out a road map to superior performance, but they do not ensure it. Only the personal commitment to excellence, motivation, and actual consistent performance determines the performance level. Ideally, competencies can help fix the attention on key business goals and values, such as improved customer service. Competencies can help to be more flexible in

meeting various work requirements. Applying the competencies at work will help us to become more creative in meeting job demands and allow us to quickly adapt to changes at work. Finally, competencies encourage teamwork by promoting cooperation and sharing.

Recognizing this need of the bankers, the Indian Institute of Banking & Finance (IIBF), like many other initiatives in the competence building exercise of bankers, has come up with a certification process in the area of Continuing Professional Development. The bank employees may be acquiring a great deal of knowledge and experience on their own through training/seminars/workshops sponsored by the banks both within and outside the banks, even though they might not have necessarily undergone a formal qualification from a University or Professional Institute. The efforts of the bankers often go unnoticed and their professional competence building efforts go unrecognized. The Institute believes that all the efforts on the part of the employee towards his competence building and professional up gradation need to be recognised and suitably documented.

#### **4.6.1 Components of Employee Competencies**

Competencies are identified behaviors, knowledge, skills, and abilities that directly and positively impact on the success of employees and organizations. Coaching and learning opportunities can enhance the competencies. Competency is defined as a behavior that describes excellent performance in a particular work context (eg: job, role or group of jobs, function or whole organization). Competency for a job can be defined as a set of human attributes that enable an employee to meet and exceed expectations of his internal as well as external employees. Competency may take the following forms: Knowledge, Attitude and Skill. Other characteristics of an individual

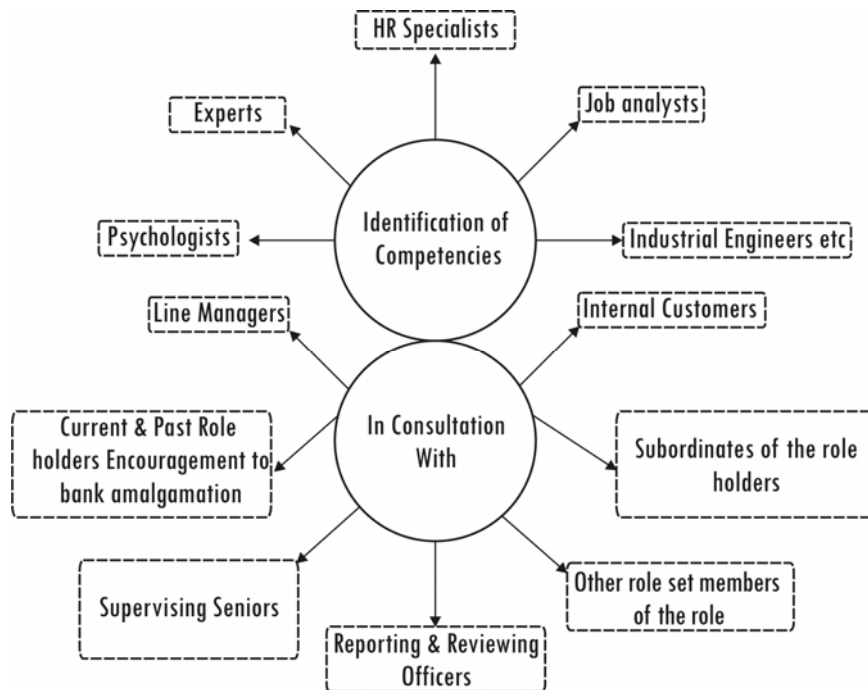
includes: Motives, Values and Self-concept etc. The set of human qualities and/or attributes that make a person a star performer for a particular activity defines the competency for that particular activity.

"Competence" as a combination of knowledge, skills and behavior utilized to improve performance; or as the state or quality of being adequately or well qualified, having the ability to perform a specific role. For instance, management competency might include systems thinking and emotional intelligence, and skills in influence and negotiation.

#### 4.6.2 Measures to Identify Employee Competencies in Banking Sectors

Competencies can be identified among one or more of the following category of people:

**Exhibit: 4.3** People involved identification of competencies



Competencies are mainly seen as inputs. Any underlying characteristics required for performing a given task, activity, or role successfully can be considered as competency. According to Hayes, competencies are generic, knowledge, motive trait, social role or a skill a person linked to superior performance on the job. UNIDO defined competency as a set of skills, related knowledge and attributes that allow an individual to successfully perform a task or an activity within a specific function or job. Competency represents observable and measurable knowledge, skill, ability, behaviours, and attitudes associated with excellent job performance, work results or outputs. It defines performance in terms of what work is done and how it is done. Competency may take the following forms: knowledge, Attitude, Skill and other individual characteristics including: Motives, Values, Self-concept, etc. A competency is described in terms of key behaviors that enable recognition of that competency at the work place. Competencies are always behavior specific.

Skills, Knowledge, attitude and other personal characteristics that lead to superior performance are typically bunched together into the concept of competencies. Competencies are generic, meaning that they are relevant for a wide variety of jobs. For example, Erickson, the Swedish telecommunications grant, has a competence triangle consisting of technical/professional competencies, human competencies and business competencies. Each of these generic groups has a set of more specific competencies. Erickson lists teamwork, communications; cultural awareness as the competencies necessary for social interaction. Stuart stated that “while an individual may be ‘deemed competent’, ‘occupational competence’ relates to the functions associated with an occupation. Standard

of competent are used to describe characteristics of the functions and so are independent of the individual.”

HRD theorists and practitioners came up with a rather integrated and definitive definition of the term competency as a cluster of skills and attitudes, (conveniently labeled in the industry as K, S, A i.e., Knowledge, Skill and Attitude) that

- Affects the major part once job
- That correlates with performance on the job
- That can be measured against well accepted standards
- That can be improved through training and development

#### **4.6.3 Measurement of Competencies**

The competencies schema intended to capture information about measurable characteristics. Some competencies may be measurable, but never the less difficult to quantify. In some cases, the measure may be simply whether the characteristics exists or does not exist. Some competencies can be objectively measured, whereas others may only be subjectively recognized.

“Effectiveness of an organization is the summation of the required competencies in the organization.” Competency helps in Gap analysis, Role clarity, Selection, Potential identification, Growth plans, Succession planning Restructuring, and Inventory of competencies for planning. For effectively playing the different HR roles, the HR manager should have the following knowledge, skills and abilities (competencies). These are Problem solving skills, Business knowledge/organization sensitivity, Knowledge of compensation techniques to reinforce business plans, Strategic and



conceptual skills, Knowledge of succession/career planning systems, leadership skills, Ability to analyze data and plan from it., Computer literacy, Competence in HR functional area and Awareness of the financial impacts in the HR function as well as to the organization.

#### **4.6.4 Characteristics of Good Competencies**

Some of the characteristics of good competencies are:

- i. Manageable:** Too many competencies will become confusing and inefficient, clouding rather than clarifying an organization's priorities.
- ii. Defined Behaviorally:** Competencies should be described in terms of specific, observable behaviors.
- iii. Independent:** Important behaviors should be included in just one, not multiple, competencies.
- iv. Comprehensive:** No important behaviors should be excluded.
- v. Accessible:** Competencies are written and communicated is clear, understandable and useful to those outside of the HR world.
- vi. Current:** Competencies should be up-to-date, and reviewed regularly to keep pace with industry and company changes.
- vii. Compatible:** Competencies should "fit in" with a company's vision, values and culture.

#### **4.6.5 Process of Competencies**

The processes of competencies are: (i) Identification, (ii) Standardization, (iii) Assessment and (iv) Certification.

**i. Identification:** This process establishes or defines the competencies needed to perform a work activity satisfactorily. Three principle methods have been developed to identify competencies.

- **Occupational Analysis:** In this method the task is the object of analysis. Occupational analysis was developed and that is widely used in the United States.
- **Constructivist Analysis:** Constructivist analysis in which typical job is studied in its dynamic is the object of analysis and is a construct built out of consideration of different but related jobs. Constructivist analysis was developed and is used mostly in France.
- **Functional Analysis:** Functional analysis in which the function (a meaningful set of interrelated tasks that are performed to attain an objective) is the object of analysis. Functional analysis was developed and is used in the United Kingdom, as well as by many European and Latin American countries. Functional analysis is the most widely used method to identify competencies mainly because it is more holistic than occupational analysis and less time-consuming to develop the constructivist analysis.

**ii. Standardization:** By standardization we mean the process of generalizing a competence and turning it into a competence standard. A standard is a competence that becomes a valid benchmark for a given group of workers or organizations.

**iii. Assessment:** It is the process of collecting evidence to measure competence of a worker's performance. This is to judge the competency against a pre-determined standard and to identify areas that need to be

strengthened, modified, or improved. Strategies and instruments to collect evidence for assessment of competency include oral or written tests, interviews, execution tests, and observation of performance, simulations, examination of work products, portfolios, and testimonies from third parties.

**iv. Certification:** The process of formal recognition of competence demonstrating that the worker can perform a standardized labor activity is certification. Experts judge the mastery attained in each competence and may grant a certificate or some other credential to those showing that competence has been achieved. Being aware of the organizational priorities and thus setting proper guidelines which helps to empower their organization to know itself and identify its social/human capital, is much more valuable than most of the current focus in knowledge management. Following may be considered as a sort of guidelines to do competency at low cost:

- Identify a role that is relatively well-understood by all individuals in the organization. Work out for this role and give it as an illustration. For example sales executive, production supervisor, assistant HR manager, receptionist, transport manager etc. are known to all and easy to profile.
- Identify competencies for the role selected, if necessary, with the help of job analysis specialist or an internal member who have the knowledge of competencies.
- Circulates to others and ask various departments to do it on their own. Circulate samples of competencies done by others. Illustrate knowledge, attitudes, skills, values etc.

#### 4.6.6 Classification of Competencies

Competencies can be broadly classified into three categories namely: (i) Organizational competencies, (ii) Job related competencies, (iii) Personal competencies includes Threshold competencies and Differentiating competencies.

**i. Organizational Competencies:** Organizational competencies are unique factors that make an organization competitive. According to C.K. Prahalad and Hamel who wrote the famous book “Competing in the future”, organizational competencies:

- Provide potential access to a wide variety of markets.
- Make a significant contribution to perceived customer benefits of the end product.
- Are difficult for competitors to imitate.

Organizations need to focus their efforts in the area of their competencies and strengthen them and outsource the other activities. This is very important as these competencies are fundamental to the success of the organization. Some of the examples for organizational competencies include Sony-miniaturization, Phillips-optical media, Honda-engines, and Intel-microchip.

**ii. Job Related Competencies:** Job related competencies are those competencies which are required for performing a specific job. These are the competencies someone must demonstrate to be effective in his job/role, task or duty. Thus these competencies are job or role specific and vary from job to job. A competency model can be used to develop specific job related competencies and come out with a competency

dictionary. These competencies are organization specific as roles and responsibilities may vary from organization to organization even though the job title may be the same. Job related competencies may become the criteria for most of the HR functions like selection, Training and development, performance appraisal, compensation etc.

**iii. Personal Competencies:** Personal competencies are aspects of an individual they include the abilities of individuals to perform the activities within an occupation or function to the standard expected in employment. It includes the various behavioral competencies apart from the knowledge and skill level of an individual. These competencies includes-

- Personal competencies like developing oneself, taking initiative, delivering results, showing commitment, and adaptability.
- Interpersonal competencies such as relationship building, advising, team orientation, service orientation, cultural awareness, communication, and openness.
- Information oriented competencies like strategic thinking, business understanding, conceptualizing, innovation, processing, analyzing and comprehending.
- Management competencies such as leadership, directing, building teams, facilitating performance, motivating, guiding people, and transferring knowledge

### 4.6.7 Benefits of Competencies

In a competency-based system, both the employer and the employee benefit. This is a result of establishing a transparent blueprint for recruitment, Job expectations, job performances evaluation and advancement path. Personal judgment and subjectivity are minimized, creating a more positive work environment and a stronger relationship between employee and employer.

- Reduction in staff turnover, recruitment costs, training costs, etc
- Improvement in productivity, performance, training and development
- Reliable and consistence performance data across cultures and geographic borders
- Delivery of comprehensive training & development plans
- Creation of training & development processes that identify and deliver the most effective sessions
- Identify employee's capabilities for an organization's future needs
- Analyzing capability gaps.

### 4.6.8 Models of Competencies

The models of competencies are behavioral and functional competencies

- i. Creativity:** Creativity is the act of turning new and imaginative ideas into reality. Creativity is a crucial part of the innovation equation. Creativity is a core competency for leaders and managers and one of

the best ways to set your company apart from the competition. Corporate Creativity is characterized by the ability to perceive the world in new ways, to find hidden patterns, to make connections between seemingly unrelated phenomena, and to generate solutions.

- ii. Self-confidence:** Self-confidence is extremely important in almost every aspect of our lives. Self-confidence is considered one of the most influential motivators and regulators of behavior in people's everyday lives. It also associated with the life of an employee because self-confidence can contribute to the determination of an employee to increase the productivity of a company.
- iii. Teamwork:** Teamwork is used as the most popular and effective way of improving organisational health. This has resulted in the recognition that people are the most important resource in an organisation. Using their knowledge and experience in the most productive way leads to quality improvements in products and services. Teamwork also can benefit the organisation and the members of the teams. However, commitment and a good infrastructure are needed for consciously develop teamwork.
- iv. Influence:** Influencing is the ability to impact and influence others is often the number one competency in helping, service, managerial and leadership roles. Influence as a competency is the ability to persuade or convince others to support an idea, agenda or direction. It involves taking a variety of actions to influence others including establishing credibility or using data to directly persuade or address a person's issues or concerns. Learning to increase the ability to impact and influence others can make a big difference to your career success.

- v. Problem Solving:** Problem solving is the most basic and most important human mental activity. HR professionals are hired to supervise a particular aspect of an organization, and problem solving is an important part of this responsibility. Often the most creative HR professionals make the most effective problem solvers. These HR professionals have mastered the art of recognizing problems and tackling them, logically and creatively, before they get blown out of proportion. Problem solving itself can create further problems, depending on the methods used, and so the HR professional must tread carefully. Here the HR professional's responsibility is immense. Human resources professionals must aid their team members in developing their own problem-solving abilities.
- vi. Inter personal Skills:** Interpersonal skills are the life skills that use every day to communicate and interact with other people, individually and in groups. Interpersonal skills include not only how the people communicate with others, but also the confidence, and the ability to listen and understand. Problem solving, decision making and personal stress management are also considered interpersonal skills.
- vii. Business Knowledge:** It represents the ability to understand business including the market and its segments, the products and services offered, the customers and their business and business model itself, value creation as opposed to cost effective HR. It happens when HR managers demonstrate their understanding of business while designing and delivering HR system and process. All business decisions have people issues and it is important that HR professional provides appropriate input to evaluate the implications of such issues.



- viii. Change Management:** Change management refers to the ability to diagnose design and deliver change processes for organization's culture transformation. The key message for HR manager is that winning organization differ from losing ones only in their ability to respond to the pace of change. Any change in system, policies and processes has to have people acceptability for them to be successful. HR has a crucial role in preparing people for the change, educating them of the advantage and implication of a new system and clarifying issues that may arise in the implementations and competencies building.
- ix. Execution Excellence:** It refers to the ability to consistently deliver on time on commitments to internal and external customers. HR system and policies that inhibit speed in the organization will be eliminated. In the process HR staff necessary to administer and audit those system will be eliminated. HR professional must begin to question and change the basic premises and assumptions on which organizations must exist.
- x. Personal Credibility:** Personal credibility refers to demonstrate high integrity in personal and professional transaction with others. As a key competence for HR managers personal credibility is of paramount importance as it earns trust and respect of people they work with be it superior peers and juniors.
- xi. Relationship Management:** It refers to the ability to develop effective relationship with internal and external forums. As organizations are often described as a network of roles-conflicts is an integral part of the organization. Since these are people sensitive issues, right mix of behavioral and functional skill are required to address these conflicts tactfully. Relationship management no wonder becomes focused area

of HR and HR professional need to acquire an expertise in these areas for an effective interface with internal and external environment.

#### **4.7 Building Change Competence in Employees**

The following list defines the requirements for building change competency in employees. It uses the ADKAR model as a framework. The requirements must be filled in sequential order. In other words, only when the first requirement is met should you move to the second requirement.

- i. Awareness:** Employees are aware of the significant role they play in the overall change management process. They understand that change is the norm, not the exception. They also understand that some changes may happen quickly and without warning. Employees expect change, and understand that their change competency is part of their job responsibility. Employees are aware that they collectively produce business success and understand the need to change to keep pace with changing market conditions.
- ii. Desire:** Employees are committed to building change competency. They understand the business risk of not building this competency into the organization, and understand the personal consequences for them (both good and bad) that create a desire to develop this competency. Employees recognize that being able to adapt to change is part of their job responsibilities, and that doing their job well requires constant adaptation and change. They see evidence that adaptability and change competence is part of their overall performance evaluation.
- iii. Knowledge:** Employees understand how to cope and thrive in a changing environment. Tools like the ADKAR model of change are

provided to employees and are part of the coach-employee relationship. Employees understand the tools and resources they have to assist them through the transition. They know how to identify where they are having problems and know how to seek solutions. Employees have the skills, behaviors and knowledge to be change competent.

- iv. **Ability:** Employees have a chance to practice and fail in a non-threatening environment. They have been given the appropriate coaching and know where to go for help.
- v. **Reinforcement:** The values of a change-competent organization are factored into the job descriptions, compensation and reward schemes for employees. Their direct supervisors provide guidance and opportunities to practice the skills needed to support constant change.

#### 4.8 Dimensions of Competency

The concept of competency includes all aspects of work performance and not only task skills. The assessment of competency should involve a demonstration of competence in all of the dimensions of the competency, including: Task skills, Task management skills, Contingency management skills, Job/role environment skills and Transfer skills

- i. **Task Skills:** Undertaking the specific task/s required to complete a work activity to the required standard. This means being able to perform the individual actions as well as the whole task.
- ii. **Task Management Skills:** Managing a number of different tasks to complete a whole work activity. This means working efficiently to meet deadlines, handle a sequence of interrelated tasks, and progress smoothly between tasks.

- iii. Contingency Management Skills:** Responding to problems and irregularities when undertaking a work activity, such as: Breakdowns, Changes in routine, Unexpected or atypical results or outcomes and Difficult or dissatisfied clients.
- iv. Job Role/Environment Skills:** Dealing with the responsibilities and expectations of the work environment when undertaking a work activity, such as: Working with others, Interacting with clients and suppliers, Complying with standard operating procedures and Observing enterprise policy and procedures

## **Conclusion**

Banking services growth in India is closely associated with the employee competency in the respective organization in the form of its productivity and profitability. Banks in India generally appoint well-educated and technically sound work forces for execution of their financial operations. Thus, it can be rightly said that banking is a knowledge-intensive, skills-based and relationship-rich industry. In an increasingly complex and a more liberalized environment, the competitiveness of banking institutions will depend critically on the quality of human intellectual capital and the extent to which the industry is able to leverage on these talents. To compete effectively, banking institutions need professionals with the requisite skills and expertise not only at the strategic and management level, but also at the technical and operational levels. Thus, it can be rightly said that with the changing environment both public and private sector banks have opportunities and at the same time have to face the threats that have been posed by the HR resources imbalances. Strengthening the employees' competency is the only possible solution by which the banks can determine its future growth

prospects. Competency always contributes to the high levels of performance between individuals as well as organization.

Chapter V and VI provide a detailed empirical analysis on the employee competency of selected banks headquartered in Kerala. The analysis of chapters also provided detailed empirical discussion on employee behavioural competency based on will parameters and skill assessment.

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## EMPLOYEE COMPETENCY IN THE SCHEDULED COMMERCIAL BANKS HEADQUARTERED IN KERALA

- 5.1. Employee Strength
- 5.2. Competency in Terms of Business per Employee
- 5.3. Competency in Terms of Deposits per Employee
- 5.4 . Competency in Terms of Investment per Employee
- 5.5. Competency in Terms of Advances per Employee
- 5.6. Competency in Terms of Spread per Employee
- 5.7. Competency in Terms of Profit per Employee
- 5.8. Measure of Competency–Comparative Analysis
- Conclusion

The last chapter was devoted to discuss banking system in India and Kerala and the need for enhancing competency of bank officers working in scheduled commercial banks. This chapter discuss employee competency in the scheduled commercial banks headquartered in Kerala.

Employee performance analysis is a popular technique for the appraisal of financial performance of a bank. Employees are the most valuable assets to increase the profitability of the organization. According to R.K Sahu (2009), Competencies are required for superior performance of an employee. So this chapter discussed with the analysis of employee competency of scheduled commercial banks head quartered in Kerala based on the data provided by the RBI. The variables used in the study are competency in terms of business per employee, deposits per employee, investment per employee, advances per employee, spread per employee and profit per employee (source of variables:- RBI Database from 2001-02 to 2012-13). Detailed analysis are given below.

## 5.1. Employee Strength

The developments in banking sector such as technological advances in information technology and securitization bill, reduction in employee strength through Voluntary Retirement Schemes (VRS) has greatly reduced costs and Non-Performing Assets (NPAs) thereby increasing the efficiency among Indian banks. The role of employees is also of great significance as each and every activity of a bank is directly related to the attitude, motivation and work culture of the employees. Therefore, the parameters that are used to measure the efficiency of banks should also include the performance of employees.

**Table: 5.1** Number of Employees of Banks

(Values in Number)

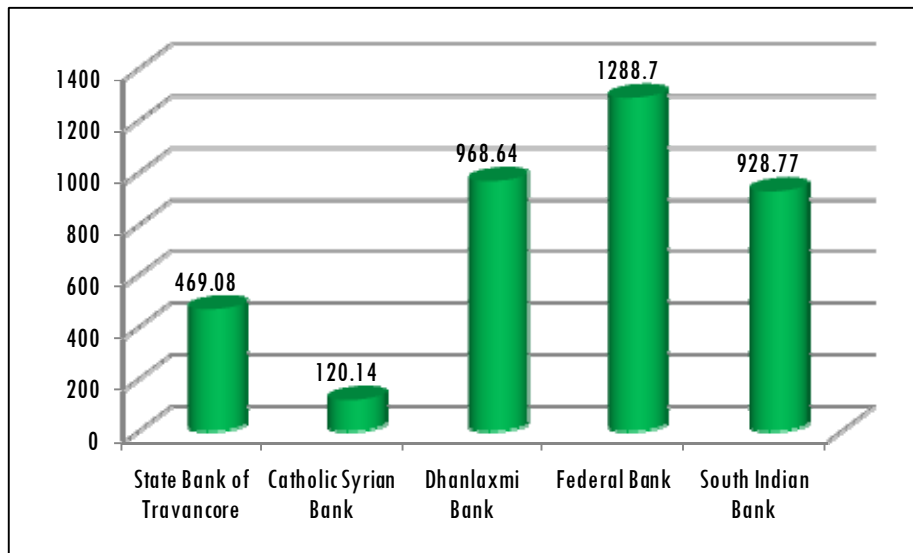
Year	Banks									
	State Bank of Travancore		Catholic Syrian Bank		Dhanlaxmi Bank		Federal Bank		South Indian Bank	
	Value	Index	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	12137	100	3014	100	1269	100	6240	100	3697	100
2002-03	12005	99	3014	100	1305	103	6217	100	3550	96
2003-04	12007	99	2890	96	1325	104	6363	102	3534	96
2004-05	11828	97	2863	95	1310	103	6474	104	3588	97
2005-06	11642	96	2863	95	1385	109	6015	96	3709	100
2006-07	11019	91	2791	93	1385	109	6029	97	3868	105
2007-08	11423	94	2723	90	1411	111	6945	111	4223	114
2008-09	11365	94	2676	89	1402	110	7570	121	4523	122
2009-10	12192	100	2696	89	3275	258	7896	127	4860	131
2010-11	11735	97	2820	94	3665	289	8270	133	5619	152
2011-12	12597	104	2651	88	3468	273	8745	140	5630	152
2012-13	12525	103	2817	93	2601	205	10059	161	6087	165
<b>Total</b>	<b>142475</b>		<b>33818</b>		<b>23801</b>		<b>86823</b>		<b>52888</b>	
<b>Mean</b>	<b>11872.92</b>		<b>2818.17</b>		<b>1983.42</b>		<b>7235.25</b>		<b>4407.33</b>	
<b>SD</b>	<b>469.08</b>		<b>120.14</b>		<b>968.64</b>		<b>1288.70</b>		<b>928.77</b>	
<b>CV (%)</b>	<b>3.95</b>		<b>4.26</b>		<b>48.84</b>		<b>17.81</b>		<b>21.07</b>	
<b>CGR</b>	<b>0.26</b>		<b>-0.91</b>		<b>10.46</b>		<b>4.28</b>		<b>5.41</b>	

Source: RBI data base from 2001-02 to 2012-13

Table 5.1 indicates the staff strength of the sample banks. Initially, in 2001-02, the staff strength of the Dhanlaxmi bank was 1269 and it has increased to 2601 at the end of 2012-13. Similarly, the staff strength of South Indian Bank in 2001-02 was 3697 and it almost doubled to 6087 at the end of 2012-13.

The employee enrollment of Federal Bank was 6240 in 2001-02 and it gradually increased to 10059 in 2012-13. The total number of employees in the State Bank of Travancore was 12137 in 2001-02 and it has increased to 12525 at the end of 2012-13. The staff strength of the Catholic Syrian Bank was 3014 in 2001-02 and in 2012-13; it was reduced to 2817 showing a negative growth rate of -0.91 percent during the study period. All other banks showed a growth in their staff strength during the period under study. Among the five sample banks, Dhanlaxmi Bank has recorded the highest growth rate of 10.46 percent.

**Exhibit: 5.1** Number of Employees of Banks





## 5.2. Competency in Terms of Business per Employee

The Business per employee on which normally profitability of each bank branch rests is a crucial parameter to judge the efficiency of a bank and its branch. If the business per employee grows i.e., deposits, credit and profit year –after-year at an increased rate one can assume that the standing of the bank in the market has been improving. Table 5.2 depicts the earning of business per employee of banks in Kerala.

**Table: 5.2 Business Per Employee of Banks**

(Values in ₹. Lakhs)

Year	Banks									
	State Bank of Travancore		Catholic Syrian Bank		Dhanlaxmi Bank		Federal Bank		South Indian Bank	
	Value	Index	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	178.78	100	140.98	100	199.24	100	219.00	100	218.00	100
2002-03	217.68	122	165.00	117	222.10	111	270.00	123	265.00	122
2003-04	271.80	152	182.16	129	248.63	125	327.00	149	306.00	140
2004-05	346.25	194	220.00	156	292.70	147	266.00	121	352.00	161
2005-06	381.19	213	247.00	175	311.71	156	431.00	197	422.00	194
2006-07	506.13	283	278.00	197	366.68	184	544.00	248	508.00	233
2007-08	588.65	329	317.00	225	409.08	205	840.00	384	600.00	275
2008-09	658.00	368	374.00	265	585.88	294	750.00	342	645.00	296
2009-10	696.00	389	423.00	300	369.61	186	813.00	371	771.00	354
2010-11	888.00	497	537.00	381	589.22	296	923.00	421	918.00	421
2011-12	1066.00	596	675.00	479	592.90	298	1011.00	462	1079.00	495
2012-13	1259.00	704	736.00	522	729.70	366	1075.00	491	1201.00	551
<b>Total</b>	<b>7057.48</b>		<b>4295.14</b>		<b>4917.45</b>		<b>7469</b>		<b>7285</b>	
<b>Mean</b>	<b>588.12</b>		<b>357.93</b>		<b>409.79</b>		<b>622.42</b>		<b>607.08</b>	
<b>SD</b>	<b>343.48</b>		<b>198.77</b>		<b>173.57</b>		<b>314.81</b>		<b>325.95</b>	
<b>CV (%)</b>	<b>58.40</b>		<b>55.53</b>		<b>42.36</b>		<b>50.58</b>		<b>53.69</b>	
<b>CGR</b>	<b>18.83</b>		<b>16.25</b>		<b>11.97</b>		<b>16.77</b>		<b>16.82</b>	

Source: RBI data base from 2001-02 to 2012-13

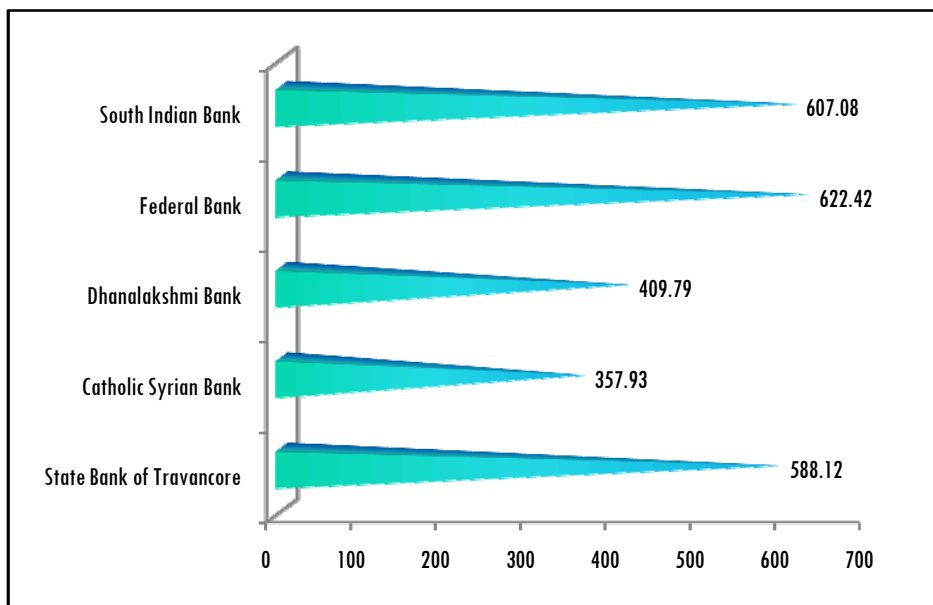
Table 5.2 presents the business per employee in different banks studied. During 2001-02, the business per employee in the State Bank of Travancore was Rs.178.78 lakhs and it increased to Rs.1259 lakhs at end of the year 2012-13.

The growth rate of South Indian Bank was 16.82 percent during the same period. The business per employee in the South Indian Bank was Rs.218 lakhs in the year 2001-02 and it increased to Rs.1201 lakhs in 2012-

13. Similarly, the Federal Bank employees have made business of Rs.219 lakhs and it increased to Rs.1075 lakhs in 2013.

In the case of the Catholic Syrian Bank, an employee was contributing Rs.140.98 lakhs in 2001-02 and that went up to Rs. 736 lakhs in 2013. The business per employee of Dhanlaxmi Bank was Rs. 199.24 lakhs and that increased to Rs. 729.70 lakhs during 2012-13. The business per employee of all banks increased during the study period. The table reveals that out of the five sample banks surveyed, the State Bank of Travancore has recorded the highest growth rate of 18.83 percent during the study period of 2001-13.

**Exhibit: 5.2 Business Per Employee Of Banks**



### 5.3. Competency in Terms of Deposits per Employee

Deposits are the basic raw materials for the banks. Deposits help the banks to channelize credit for productive investment in the economy. The higher the deposit mobilization is the larger the scope for development of

funds in the economy. Deposits play a key role in commercial banking activities because the lending power of a bank and the size of its operations are determined mainly by the quantum of deposits. Table 5.3 provides a comparative picture of the deposits mobilization competency of the five sample bank employees’.

**Table: 5.3** Deposits per Employee of Banks

(Values in ₹.Crore)

Year	Banks									
	State Bank of Travancore		Catholic Syrian Bank		Dhanlaxmi Bank		Federal Bank		South Indian Bank	
	Value	Index	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	1.11	100	1.06	100	1.31	100	1.42	100	1.60	100
2002-03	1.33	120	1.16	109	1.41	108	1.76	124	1.93	121
2003-04	1.64	148	1.34	126	1.63	124	2.12	149	2.34	146
2004-05	2.04	184	1.40	132	1.79	137	2.35	165	2.37	148
2005-06	2.23	201	1.50	142	1.83	140	2.97	209	2.58	161
2006-07	2.81	253	1.70	160	2.23	170	3.58	252	3.16	198
2007-08	3.09	278	1.95	184	2.56	195	3.73	263	3.59	224
2008-09	3.70	333	2.37	224	3.54	270	4.25	299	4.00	250
2009-10	4.17	376	2.59	244	2.17	166	4.57	322	4.73	296
2010-11	4.96	447	3.09	292	3.42	261	5.20	366	5.29	331
2011-12	5.88	530	3.89	367	3.40	260	5.60	394	6.21	388
2012-13	6.76	609	4.38	413	4.31	329	5.73	404	7.27	454
<b>Total</b>	<b>39.72</b>		<b>26.43</b>		<b>29.60</b>		<b>43.28</b>		<b>45.07</b>	
<b>Mean</b>	<b>3.31</b>		<b>2.2025</b>		<b>2.47</b>		<b>3.61</b>		<b>3.76</b>	
<b>SD</b>	<b>1.83</b>		<b>1.09</b>		<b>0.98</b>		<b>1.50</b>		<b>1.79</b>	
<b>CV (%)</b>	<b>55.22</b>		<b>49.63</b>		<b>39.61</b>		<b>41.60</b>		<b>47.77</b>	
<b>CGR</b>	<b>17.53</b>		<b>13.78</b>		<b>1.78</b>		<b>13.61</b>		<b>14.12</b>	

Source: RBI data base from 2001-02 to 2012-13

From Table 5.3, it can be seen that the deposits per employees of the selected banks. At the beginning of the year 2001-02, the deposits per employee of State Bank of Travancore were Rs.1.11crore and it gradually increased to Rs.6.76 crore at end of the study period.

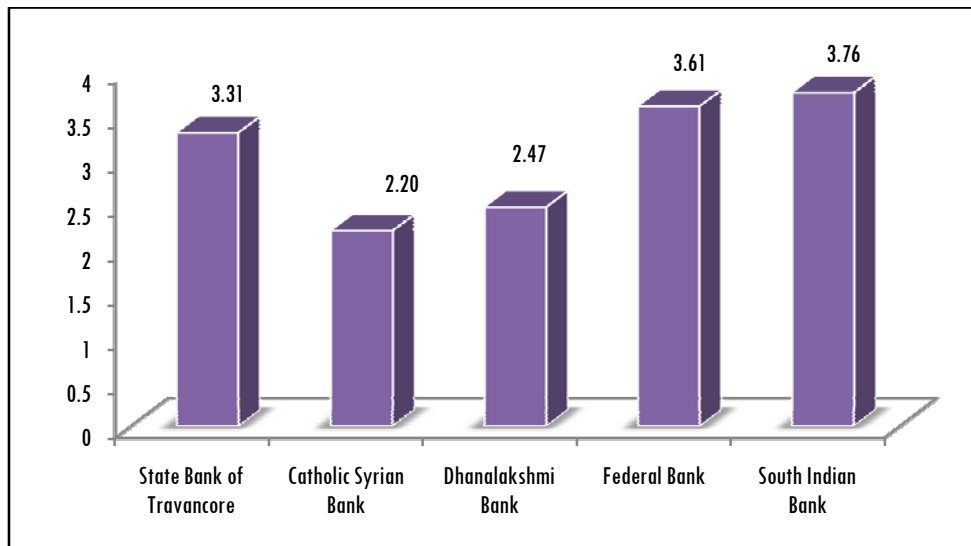
From the empirical study, shows that the growth rate of South Indian Bank was 14.12 per cent during the twelve years (2001-13). Deposits raised by an employee were Rs.1.60crore during 2001-02 and that increased to Rs.7.27 crore at the end of 2012-13.

The Catholic Syrian Bank recorded a growth rate of 13.78 percent during the same period. Deposits raised per employee were Rs.1.06 crore in 2001-02 and that increased to Rs.4.38 crore during 2012-13. Similarly, the Federal Bank employees have raised deposits worth Rs.1.42 crore in 2001-02 and that increased to Rs.5.73 crore during 2012-13. This works out to be an average of 13.61 percent during the period of 2001-13.

In the case of the Dhanlaxmi Bank, the deposits raised per employee was Rs.1.31 crore in 2001-02 and it gradually increased to Rs.4.31 crore at the year 2012-13. The CGR is 1.78 percent during the study period of 2001-13. Among the five banks studied, Dhanlaxmi Bank has the minimum growth rate in comparison with the other banks.

It is concluded that among the selected banks, State Bank of Travancore has recorded a growth rate of 17.53 per cent during the study period. Exhibit 5.3 presents the above information.

**Exhibit: 5.3** Deposits per Employee of Banks



### 5.4. Competency in Terms of Investment per Employee

Investment as a window of deployment of funds was given more emphasis than lending. The year-wise investments made in term of employee strength by the five sample banks are presented in the Table 5.4.

**Table: 5.4** Investments per Employee of Banks

(Values in ₹. Crore)

Year	Banks									
	State Bank of Travancore		Catholic Syrian Bank		Dhanlaxmi Bank		Federal Bank		South Indian Bank	
	Value	Index	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	0.53	100	0.45	100	0.51	100	0.60	100	0.59	100
2002-03	0.67	126	0.60	133	0.52	102	0.73	122	0.84	142
2003-04	0.90	170	0.63	140	0.68	133	0.87	145	1.12	190
2004-05	0.90	170	0.46	102	0.54	106	0.90	150	0.87	147
2005-06	0.91	172	0.50	111	0.51	100	1.04	173	0.74	125
2006-07	0.87	164	0.56	124	0.62	122	1.17	195	0.89	151
2007-08	0.99	187	0.67	149	0.76	149	1.44	240	1.08	183
2008-09	1.16	219	0.82	182	1.12	220	1.60	267	1.34	227
2009-10	1.30	245	0.85	189	0.62	122	1.65	275	1.47	249
2010-11	1.53	289	0.95	211	0.99	194	1.76	293	1.59	269
2011-12	1.85	349	1.15	256	1.26	247	1.99	332	1.60	271
2012-13	2.17	409	1.17	260	1.80	353	2.10	350	2.06	349
<b>Total</b>	<b>13.78</b>		<b>8.81</b>		<b>9.93</b>		<b>15.85</b>		<b>14.19</b>	
<b>Mean</b>	<b>1.15</b>		<b>0.73</b>		<b>0.83</b>		<b>1.32</b>		<b>1.18</b>	
<b>SD</b>	<b>0.49</b>		<b>0.25</b>		<b>0.40</b>		<b>0.50</b>		<b>0.43</b>	
<b>CV (%)</b>	<b>42.33</b>		<b>34.47</b>		<b>48.01</b>		<b>38.19</b>		<b>36.77</b>	
<b>CGR</b>	<b>11.47</b>		<b>8.74</b>		<b>10.18</b>		<b>11.94</b>		<b>9.75</b>	

Source: RBI data base from 2001-02 to 2012-13

Table 5.4 shows that the Federal Bank has recorded the highest growth rate of 11.94 percent during the study period of 2001-13. The investment made by an employee was Rs.0.60 crore at the beginning and it increased to Rs. 2.10 crore during 2012-13.

The CGR of the State Bank of Travancore was 11.47 percent during the study period (2001-13). The investments made per employee were Rs.0.53

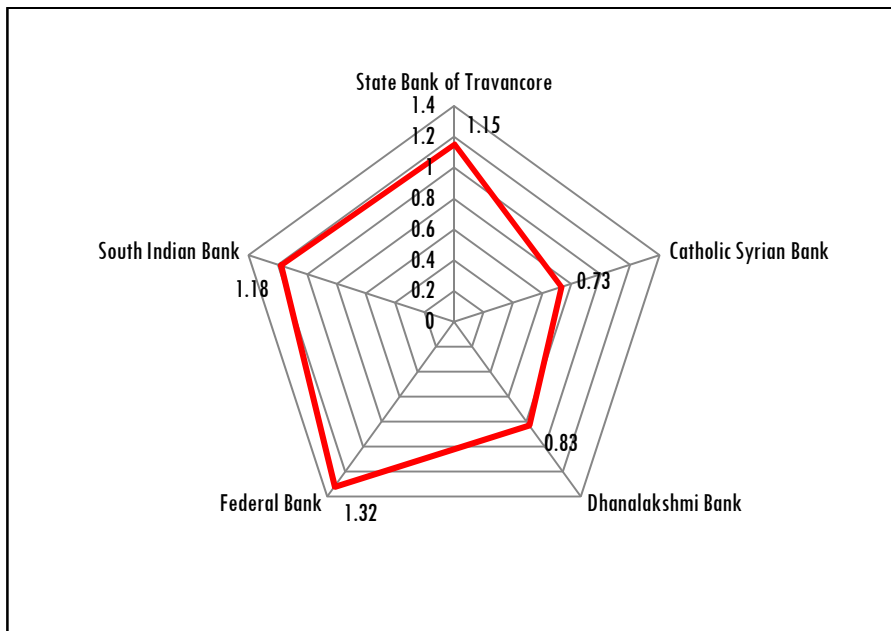
crore during 2001-02 and it increased to Rs.2.17 crore at the end of the year 2012-13.

Similarly, the Dhanlaxmi Bank recorded a growth rate of 10.18 percent during the study period. During 2001-02, the investment per employee was Rs.0.51crore and it increased to Rs.1.80 crore at end of the year 2012-13.

The growth rate of South Indian Bank was 9.75 percent during the study period. Investment made by an employee was Rs.0.59 crore at the beginning of the year 2001-02 and it gradually increased to Rs.2.06 crore at the end of 2012-13.

On the other hand, the Catholic Syrian Bank has recorded the lowest growth rate of 8.74 percent during the study period. The investment per employee was Rs.0.45 crore at the year 2001-02 and it increased to Rs.1.17crore at the end of the year 2012-13. Exhibit 5.4 presents the information provided above.

**Exhibit: 5.4 Investments per Employee of Banks**



### 5.5. Competency in Terms of Advances per Employee

Banks accept deposits to lend at a higher rate of interest. Commercial Banks are the dealers of money and suppliers of credit. They are the active participants in the process of deposit mobilization and credit creation. The year-wise credits supplied by the employees of sample banks are furnished in Table 5.5.

**Table: 5.5** Advances per Employee of Banks

(Values in ₹.Crore)

Year	Banks									
	State Bank of Travancore		Catholic Syrian Bank		Dhanlaxmi Bank		Federal Bank		South Indian Bank	
	Value	Index	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	0.61	100	0.40	100	0.72	100	0.83	100	0.87	100
2002-03	0.76	125	0.49	123	0.83	115	1.00	120	1.02	117
2003-04	0.93	152	0.66	165	0.86	119	1.21	146	1.19	137
2004-05	1.26	207	0.80	200	1.08	150	1.36	164	1.50	172
2005-06	1.62	266	0.94	235	1.15	160	1.95	235	1.72	198
2006-07	2.25	369	1.08	270	1.33	185	2.47	298	2.05	236
2007-08	2.46	403	1.22	305	1.49	207	2.72	328	2.48	285
2008-09	2.87	470	1.38	345	2.28	317	2.96	357	2.62	301
2009-10	3.15	516	1.66	415	1.53	213	3.41	411	3.26	375
2010-11	3.92	643	2.21	553	2.47	343	3.86	465	3.65	420
2011-12	4.56	748	2.81	703	2.52	350	4.32	520	4.64	533
2012-13	5.39	884	3.14	785	2.99	415	4.38	528	5.23	601
<b>Total</b>	<b>29.78</b>		<b>16.79</b>		<b>19.25</b>		<b>30.47</b>		<b>30.23</b>	
<b>Mean</b>	<b>2.48</b>		<b>1.40</b>		<b>1.60</b>		<b>2.54</b>		<b>2.52</b>	
<b>SD</b>	<b>1.56</b>		<b>0.90</b>		<b>0.77</b>		<b>1.28</b>		<b>1.42</b>	
<b>CV (%)</b>	<b>62.67</b>		<b>64.01</b>		<b>47.83</b>		<b>50.48</b>		<b>56.54</b>	
<b>CGR</b>	<b>21.86</b>		<b>19.84</b>		<b>13.79</b>		<b>17.26</b>		<b>17.67</b>	

Source: RBI data base from 2001-02 to 2012-13

Table 5.5 indicates that at the beginning of the year 2001-02 the advances per employee of State Bank of Travancore were Rs 0.61crore and it drastically went up to Rs.5.39 crore at the end of the study period (2012-13).

The Catholic Syrian Bank has recorded a growth rate of 19.84 per cent during the study period. At the beginning of 2001-02 the advances per employee with respect to this bank was Rs. 0.40crore and at the end, it went up to Rs.3.14crore. The growth rate of South Indian Bank was 17.67 per cent

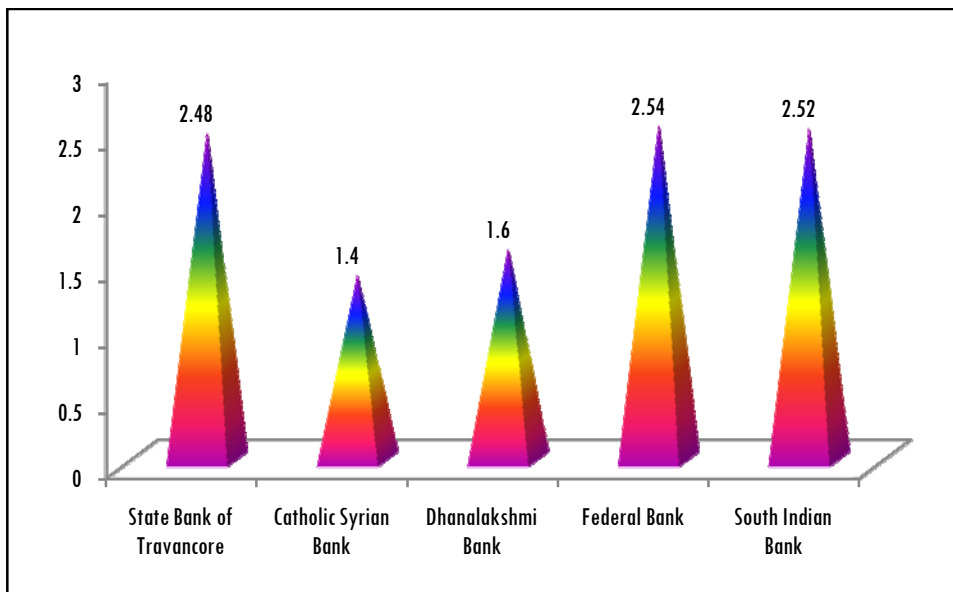
during the twelve years. Advances per employee were Rs.0.87crore and it increased to Rs.5.23crores at the end of 2012-13.

The Federal Bank has secured a growth rate of 17.26 percent during 2001-13. At the beginning of the year 2001-02, advances per employee of this bank was Rs.0.83crore and at the end of the study period, it was Rs.4.38crore.

The CGR of Dhanlaxmi Bank was 13.79 percent from 2001-13. Initially the advances per employee were Rs.0.72crore and it gradually increased to Rs.2.99 crore at the year 2012-13.

State Bank of Travancore has recorded a growth rate of 21.86 percent during the study period of 2001-13. Exhibit 5.5 Presents the above information.

**Exhibit: 5.5** Advances per Employee of Banks



### 5.6. Competency in Terms of Spread per Employee

Five fundamental goals, viz. profit maximization, risk management, service provision, intermediation and utility provision are considered as



important in analyzing the functions performed by commercial banks. To keep it simple, one can regroup the five goals into two, viz. profit maximization (by combining features of Bergendhal's profit maximization and risk management) and interest spread (combining service provision, intermediation and utility provision). One can maximize utility of bank by reducing interest spread to customers. This can be achieved by reducing intermediation cost in providing services to both depositors and borrowers. Employees' competency in term of spread is analyzed in Table 5.6.

**Table: 5.6** Spread per Employee of the Banks Studied

(Values in ₹. Crore)

Year	Banks									
	State Bank of Travancore		Catholic Syrian Bank		Dhanlaxmi Bank		Federal Bank		South Indian Bank	
	Value	Index	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	1.06	100	1.23	100	0.78	100	1.31	100	1.68	100
2002-03	1.51	142	1.57	128	1.15	147	1.69	129	2.04	121
2003-04	2.16	204	1.96	159	1.32	169	2.14	163	2.39	142
2004-05	2.21	208	0.37	30	-1.65	-212	1.39	106	0.24	14
2005-06	2.34	221	0.22	18	0.72	92	3.54	270	1.37	82
2006-07	2.96	279	0.68	55	1.18	151	4.43	338	2.69	160
2007-08	3.40	321	1.34	109	2.02	259	5.43	415	3.59	214
2008-09	5.36	506	1.39	113	4.10	526	6.90	527	4.31	257
2009-10	6.00	566	0.06	5	0.71	91	6.01	459	5.00	298
2010-11	8.00	755	0.45	37	0.71	91	7.00	534	5.00	298
2011-12	4.20	396	0.09	7	-3.33	-427	9.00	687	7.00	417
2012-13	0.17	16	0.12	10	0.11	14	0.20	15	0.21	13
<b>Total</b>	<b>39.37</b>		<b>9.48</b>		<b>7.82</b>		<b>49.04</b>		<b>35.52</b>	
<b>Mean</b>	<b>3.28</b>		<b>0.79</b>		<b>0.65</b>		<b>4.09</b>		<b>2.96</b>	
<b>SD</b>	<b>2.26</b>		<b>0.67</b>		<b>1.81</b>		<b>2.80</b>		<b>2.07</b>	
<b>CV (%)</b>	<b>68.76</b>		<b>84.78</b>		<b>278.42</b>		<b>68.45</b>		<b>70.01</b>	
<b>CGR</b>	<b>2.07</b>		<b>-20.19</b>		<b>-</b>		<b>4.36</b>		<b>4.39</b>	

Source: RBI data base from 2001-02 to 2012-13

The net interest spread is akin to profit margin. The greater the spread it will be more profitable for the bank, and vice versa. From Table 5.6, it can be seen that the South Indian Bank have recorded a growth rate 4.39 percent during the study period. It can also be seen that the profit margin per employee was Rs.1.68 crore during 2001-02 and then it decreased to Rs.0.21 crore during 2012-13.

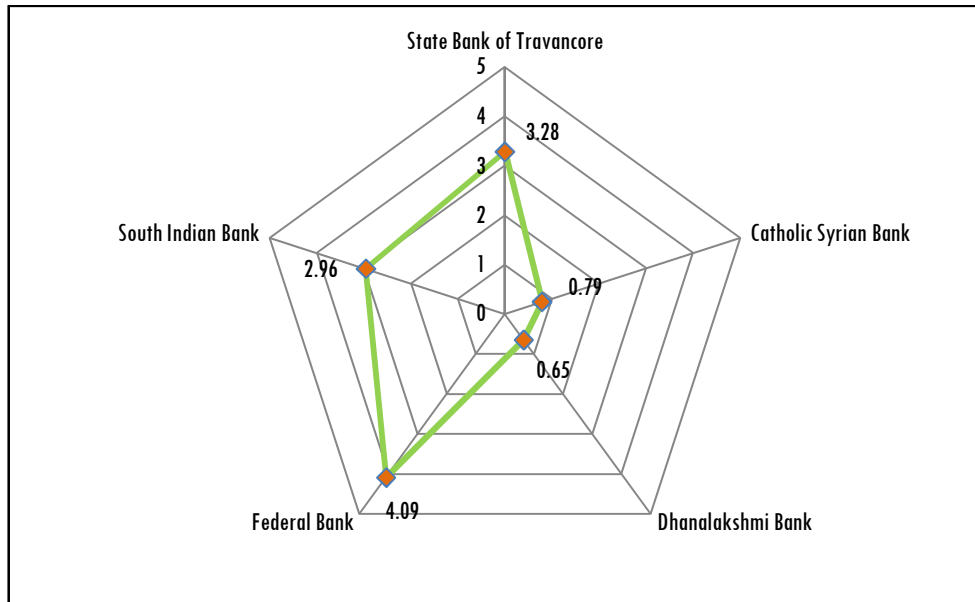
The Federal Bank employees have made a profit margin of 4.36 percent during the period of 2001-13. At the beginning, the spread per employee was Rs.1.31crore and at the end of the study, it was only Rs.0.20 crore.

The State Bank of Travancore has recorded a growth rate of 2.07 percent during the study period. At the year 2001-02 the profit margin per employee was Rs.1.06 crore and it massively went down to Rs.0.17 crore at end of the study period.

On the contrary, the Catholic Syrian Bank has recorded a negative growth rate of -20.19 percent at the study period. At 2001-02, the spread per employee of this bank was Rs.1.23 crore and that has decreased to Rs.0.12 crore at the end of the year 2012-13.

In the case of Dhanlaxmi Bank, the spread at the beginning of the year 2001-02 was Rs.0.78 crore and at the year 2012-13, it was only Rs.0.11crore. Exhibit 5.6 presents the information presented above.

**Exhibit: 5.6 Spread Per Employee of Banks**



## 5.7. Competency in Terms of Profit per Employee

The profit performance has been quite varied among different bank groups and within each group with respect of individual banks as well. Table 5.7 presents the employees' profit earning efficiency.

**Table: 5.7** Net Profit Per Employee Of Banks

(Values in ₹.Crore)

Year	Banks									
	State Bank of Travancore		Catholic Syrian Bank		Dhanlaxmi Bank		Federal Bank		South Indian Bank	
	Value	Index	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	0.03	100	0.03	100	0.04	100	0.05	100	0.05	100
2002-03	0.04	133	0.03	100	0.05	125	0.06	120	0.06	120
2003-04	0.06	200	0.04	133	0.05	125	0.07	140	0.07	140
2004-05	0.07	233	0.03	100	0.01	25	0.06	120	0.05	100
2005-06	0.06	200	0.01	33	0.02	50	0.08	160	0.04	80
2006-07	0.06	200	0.02	67	0.03	75	0.10	200	0.07	140
2007-08	0.06	200	0.03	100	0.03	75	0.11	220	0.06	120
2008-09	0.09	300	0.03	100	0.06	150	0.17	340	0.08	160
2009-10	0.08	267	0.00	0	0.01	25	0.16	320	0.08	160
2010-11	0.10	333	0.01	33	0.02	50	0.17	340	0.09	180
2011-12	0.10	333	0.03	100	-0.03	-75	0.17	340	0.11	220
2012-13	0.11	367	0.04	133	0.02	50	0.15	300	0.14	280
<b>Total</b>	<b>0.86</b>		<b>0.30</b>		<b>0.31</b>		<b>1.35</b>		<b>0.90</b>	
<b>Mean</b>	<b>0.07</b>		<b>0.03</b>		<b>0.03</b>		<b>0.11</b>		<b>0.08</b>	
<b>SD</b>	<b>0.02</b>		<b>0.01</b>		<b>0.02</b>		<b>0.05</b>		<b>0.03</b>	
<b>CV (%)</b>	<b>34.61</b>		<b>49.73</b>		<b>92.58</b>		<b>43.24</b>		<b>37.50</b>	
<b>CGR</b>	<b>10.28</b>		-		-		<b>12.99</b>		<b>8.30</b>	

Source: RBI data base from 2001-02 to 2012-13

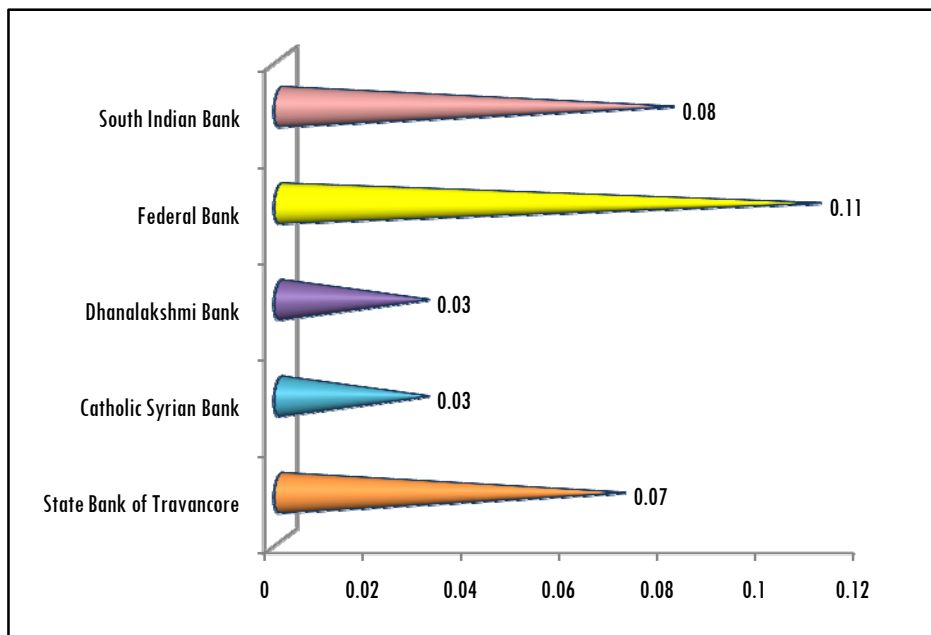
From Table 5.7, it can be seen that the highest growth rate of net profit of Federal Bank was 12.99 percent during the study period. At the year 2001-02, the net profit earned by an employee of Federal Bank was Rs.0.05 crore and in 2012-13, it increased to Rs.0.15crore.

The State Bank of Travancore net profit earned by an employee recorded a growth rate of 10.28 percent during the study period. At the year 2001-02, the net profit per employee was Rs.0.03crore and it has increased to Rs.0.11crore at end of the study period (2012-13).

The growth rate of net profit per employee of the South Indian Bank was 8.30 percent for the study period from 2001-13. At the year (2001-02), the net profit per employee was R.0.05crore and that has risen to Rs.0.14crore at the end of 2012-13. In the year 2001-02, Catholic Syrian Bank employees have earned a net profit of Rs.0.03crore and at the end of the study period, it increased to Rs.0.04crore.

Similarly, the net profit per employee of Dhanlaxmi Bank was Rs.0.04crore during 2001-2 and it went down to Rs.0.02crore at the end of 2012-13. Exhibit 5.7 provides information regarding net profit earned by the employees of the banks studied.

**Exhibit: 5.7 Net Profits per Employee of Banks**



## 5.8. Measure of Competency-Comparative Analysis

Efficiency or the growth of a bank can be measured through various measures like deposits, advances, working funds, incomes, expenditures,

profit, etc. Table 5.8 provides information with respect to CGR with respect to various aspects in the case of banks that are studied.

**Table: 5.8** Comparative Analyses of Employees Performances in Sample Banks

(Values in CGR in Percentage between 2001-13)

Variables	State Bank of Travancore	Catholic Syrian Bank	Dhanlaxmi Bank	Federal Bank	South Indian Bank
Growth in employees Strength	0.26	-0.91	10.46	4.28	5.41
Growth in Business per employee	18.83	16.25	11.97	16.77	16.82
Growth in Deposits per employee	17.53	13.78	1.78	13.61	14.12
Growth in Investments per employee	11.47	8.74	10.18	11.94	9.75
Growth in Advances per employee	21.86	19.84	13.79	17.26	17.67
Growth in Spread per employee	2.07	-20.19	-	4.36	4.39
Growth in Net profit per employee	10.28	-	-	12.99	8.30

Source: RBI (2001-13)

Table 5.8 reveals that during the study period 2001-13, among the selected banks, State Bank of Travancore have a good growth or performance with respect to Business, Deposits and Advances per employee. In case of Net profit and investment per employee, Federal bank have the highest growth rate.

## Conclusion

Employee's competency analysis is a popular technique for the appraisal of financial performance of a bank. It simply means the total resources invested and the profits generated on the investment per employee of the bank. For a bank, its employees are the most valuable corporate asset. Therefore, it is necessary to evaluate profitability of a bank in terms of its employees' competency. Based on the above analysis, it concluded that State Bank of Travancore has the highest growth rate or performance and the employees are more competent than the other banks. The Federal bank stands second.

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- 6.1. Demographic and Socio Economic Analysis
- 6.2. Importance of competency in Organisational HR Practices
- 6.3. Job Satisfaction
- 6.4. Assessment of Behavioural Competency  
(Will Mapping Procedure)
- 6.5. Analysis of Skill Mapping Procedure
- 6.6. Hypothesis Testing
- 6.7. Conclusion

After analyzing the competency of the employees in the selected banks based on the secondary data from RBI, the analysis based on the primary data is presented in this chapter.

This chapter is divided into six sections. The first section deals with the demographic and socio-economic analysis of the staffs in the selected banks. The second section includes the analysis about how far the competency is important in the existing banking system (selected banks). In this section, the researcher analyse the importance of competency evaluation during employee selection, job design, performance appraisal, career development, promotion & pay, superior-subordinate relationship and training & development. The third section presents the job satisfaction level of the banking staff.

In the fourth section, analysis of managerial and clerical level staffs' behavioural competency is done. Will mapping procedure is used for this analysis and the variables used for the study are Attendance/Punctuality, Team work, Reaction to criticism, Discipline, Imitative, Responsibility, Quality of Job and Support & Recognise other's achievements.(R.K.Sahu, 2009). The fifth section analyses the gap between desired and actual competency level of the employees based on skill assessment. Through the discussion bank managerial officials, the areas are decided such as Marketing transfer, Retail and loans, NRI banking, Customer relationship, Commercial purpose, Billing, Personal loan, Deposits, Legal, Savings, Cash present, Advances, Credit, Loans and advances and gold loan. In the sixth section, formulated hypotheses are tested.

## **6.1. Demographic & Socio-economic Analysis**

Research evidence indicates that demographic variables such as age, gender, qualification, salary, designation, etc. are strongly associated with the competency level of the banking officials and job satisfaction level both in industrial and service sector. Here the demographic and socio-economic profile of bank employees surveyed in Kerala is presented.

All the officials of the selected banks belong to different sex, age groups, and have different levels of qualification. The distribution of the respondents based on their socio-economic parameters is discussed below.

### **6.1.1. Gender of the respondents**

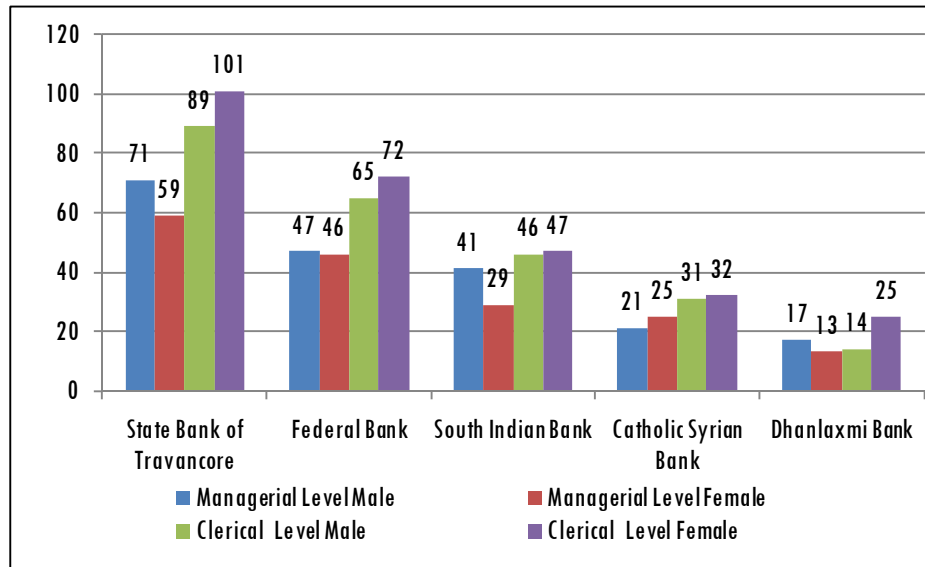
Table 6.1 gives the details about gender of the respondents.

**Table 6.1 Gender of Banking Staff**

Managerial Level Officers							
Gender	Respondents	State Bank of Travancore	Federal Bank	South Indian Bank	Catholic Syrian Bank	Dhanlaxmi Bank	Total
Male	No. of Respondents	71	47	41	21	17	197
	Percentage (%)	(19.20)	(12.70)	(11.10)	(5.70)	(4.60)	(53.40)
Female	No. of Respondents	59	46	29	25	13	172
	Percentage (%)	(16.00)	(12.50)	(7.90)	(6.80)	(3.50)	(46.60)
Total	No. of Respondents	130	93	70	46	30	369
	Percentage (%)	(35.20)	(25.20)	(19.00)	(12.50)	(8.10)	(100)
Clerical Level staffs							
Male	No. of Respondents	89	65	46	31	14	245
	Percentage (%)	(17.00)	(12.50)	(8.80)	(5.90)	(2.70)	(46.90)
Female	No. of Respondents	101	72	47	32	25	277
	Percentage (%)	(19.30)	(13.80)	(9.00)	(6.10)	(4.80)	(53.10)
Total	No. of Respondents	190	137	93	63	39	522
	Percentage (%)	(36.40)	(26.20)	(17.80)	(12.10)	(7.50)	(100)

Source: Primary Data

**Exhibit 6.1 Gender of banking staff**



Out of the 369 managerial level officers and 522 clerical level staffs surveyed, 53.40 percent of the managerial level officers were male and the remaining 46.60 percent female. 53.1 percent of clerical staffs were females and the remaining 46.90 percent were male.



### 6.1.2. Age group of the respondents

Table 6.2 presents information regarding the age group of the respondents.

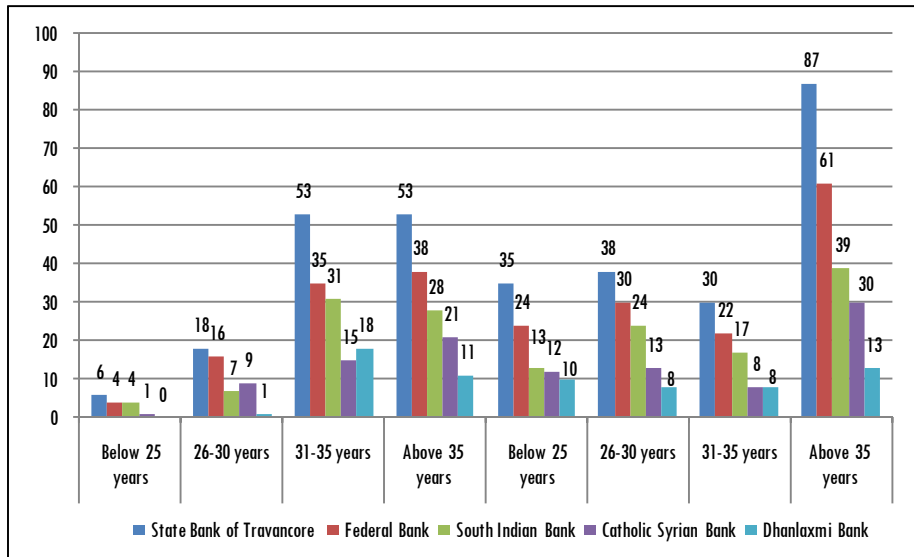
**Table 6.2** Age of the Respondents

Managerial Level Officers							
Age	Respondents	State Bank of Travancore	Federal Bank	South Indian Bank	Catholic Syrian Bank	Dhanlaxmi Bank	Total
Below 25 years	No. of Respondents	6	4	4	1	0	15
	Percentage (%)	(1.60)	(1.10)	(1.10)	(0.30)	(0.00)	(4.10)
26-30 years	No. of Respondents	18	16	7	9	1	51
	Percentage (%)	(4.90)	(4.30)	(1.90)	(2.40)	(0.30)	(13.80)
31-35 years	No. of Respondents	53	35	31	15	18	152
	Percentage (%)	(14.40)	(9.50)	(8.40)	(4.10)	(4.90)	(41.20)
Above 35 years	No. of Respondents	53	38	28	21	11	151
	Percentage (%)	(14.40)	(10.30)	(7.60)	(5.70)	(3.00)	(40.90)
Total	No. of Respondents	130	93	70	46	30	369
	Percentage (%)	(35.20)	(25.20)	(19.00)	(12.50)	(8.10)	(100)
Clerical Level staffs							
Below 25 years	No. of Respondents	35	24	13	12	10	94
	Percentage (%)	(6.70)	(4.60)	(2.50)	(2.30)	(1.90)	(18.00)
26-30 years	No. of Respondents	38	30	24	13	8	113
	Percentage (%)	(7.30)	(5.70)	(4.60)	(2.50)	(1.50)	(21.60)
31-35 years	No. of Respondents	30	22	17	8	8	85
	Percentage (%)	(5.70)	(4.20)	(3.30)	(1.50)	(1.50)	(16.30)
Above 35 years	No. of Respondents	87	61	39	30	13	230
	Percentage (%)	(16.70)	(11.70)	(7.50)	(5.70)	(2.50)	(44.10)
Total	No. of Respondents	190	137	93	63	39	522
	Percentage (%)	(36.40)	(26.20)	(17.80)	(12.10)	(7.50)	(100)

Source: Primary Data

Table 6.2 depicts that 41.20 percent of the managerial officers belong to the 31-35 age group, 40.90 percent, above 35 years, 13.80 percent, to 26-30 age group and 4.10 percent, below 25 years. In the case of clerical staff, 44.10 percent belong to the of above 35 age group, 21.60 percent are between 26-30 age group, 18.00 percent are below 25 and 16.30 percent 31-35 age-group.

**Exhibit 6.2 Age of banking staff**



**6.1.3. Educational Qualification**

Education is the basis of knowledge. Table 6.3 shows the educational qualification of the respondents

**Table 6.3 Educational Qualification of the Respondents**

Managerial Level Officers							
Educational Qualification	Respondents	State Bank of Travancore	Federal Bank	South Indian Bank	Catholic Syrian Bank	Dhanlaxmi Bank	Total
SSLC/HSLC	No. of Respondents	7	6	5	2	1	21
	Percentage (%)	(1.90)	(1.60)	(1.40)	(0.50)	(0.30)	(5.70)
Degree	No. of Respondents	84	61	44	30	17	236
	Percentage (%)	(22.80)	(16.50)	(11.90)	(8.10)	(4.60)	(64.00)
Post Graduate	No. of Respondents	37	24	21	13	11	106
	Percentage (%)	(10.00)	(6.50)	(5.70)	(3.50)	(3.00)	(28.70)
Others	No. of Respondents	2	2	0	1	1	6
	Percentage (%)	(0.50)	(0.50)	(0.00)	(0.30)	(0.30)	(1.60)
Total	No. of Respondents	130	93	70	46	30	369
	Percentage (%)	(35.20)	(25.20)	(19.00)	(12.50)	(8.10)	(100)
Clerical Level staffs							
SSLC/HSLC	No. of Respondents	9	8	8	3	1	29
	Percentage (%)	(1.70)	(1.50)	(1.50)	(0.60)	(0.20)	(5.60)
Degree	No. of Respondents	99	70	43	33	23	268
	Percentage (%)	(19.00)	(13.40)	(8.20)	(6.30)	(4.40)	(51.30)
Post Graduate	No. of Respondents	82	59	42	27	15	225
	Percentage (%)	(15.70)	(11.30)	(8.00)	(5.20)	(2.90)	(43.10)
Others	No. of Respondents	0	0	0	0	0	0
	Percentage (%)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total	No. of Respondents	190	137	93	63	39	522
	Percentage (%)	(36.40)	(26.20)	(17.80)	(12.10)	(7.50)	(100)

Source: Primary Data

Among the 369 managerial officers surveyed, 64.00 percent are degree holders, 28.70 percent are postgraduates, 5.70 percent are SSLC/HSLC holders and 1.60 percent has other qualifications. Around, 51.30 percent of clerk level staffs are degree holders, 43.10 percent are postgraduates and 5.60 percent have SSLC/HSLC qualification.

### 6.1.4 Rank of Employees

The total employees of the selected banks is classified under two- Managerial and Clerical. See Table 6.4.

**Table 6.4** Rank of employees

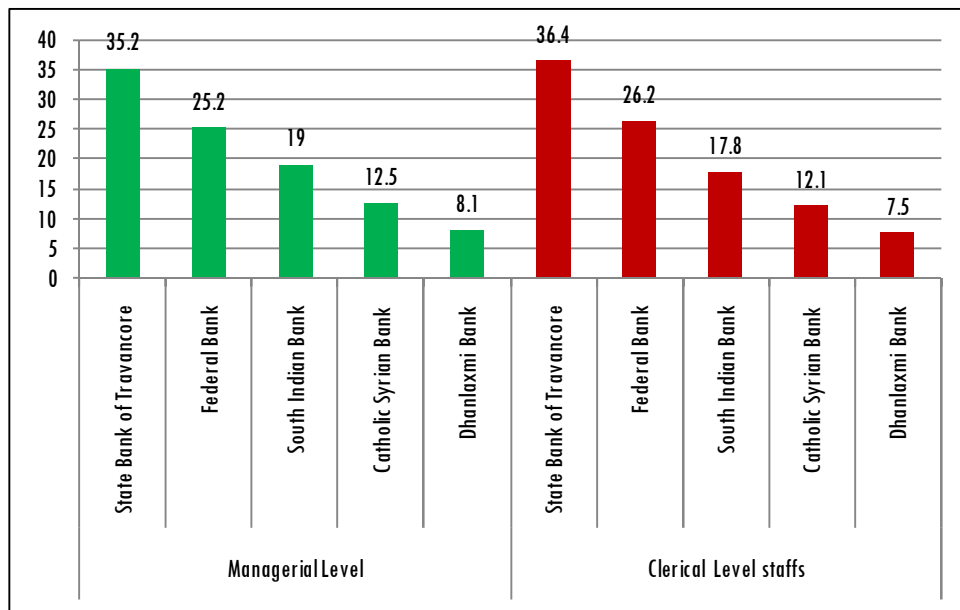
Managerial Level staffs		
Name of the bank	Number of Respondents	Percentage
State Bank of Travancore	130	35.20
Federal Bank	93	25.20
South Indian Bank	70	19.00
Catholic Syrian Bank	46	12.50
Dhanlaxmi Bank	30	8.10
Total	369	100
Clerical Level staffs		
State Bank of Travancore	190	36.40
Federal Bank	137	26.20
South Indian Bank	93	17.80
Catholic Syrian Bank	63	12.10
Dhanlaxmi Bank	39	7.50
Total	522	100

Source: Primary Data

Table 6.4 shows that 35.20 percent of the Managerial officers belong to the State Bank of Travancore, 25.20 percent to the Federal Bank, 19.00 percent belong to the South Indian Bank, 12.50 percent to the Catholic Syrian Bank and 8.10 percent to the Dhanlaxmi bank.

The Table further reveals that out of the 522 clerk level staffs 36.40 percent belong to the State Bank of Travancore, 26.20 percent are the Federal Bank employees, 17.80 percent belong to the South Indian Bank, 12.10 percent to the Catholic Syrian Bank and 7.50 percent to the Dhanlaxmi Bank.

**Exhibit 6.3 Managers and Clerical staffs**



### 6.1.5 Designation of the Respondents

Table 6.5 presents the designation of the respondents.

**Table: 6.5** Designation

Managerial Level Officers							
Designation	Respondents	State Bank of Travancore	Federal Bank	South Indian Bank	Catholic Syrian Bank	Dhanlaxmi Bank	Total
Branch Manager	No. of Respondents	44	30	22	16	8	120
	Percentage (%)	(11.90)	(8.10)	(6.00)	(4.30)	(2.20)	(32.50)
Officer	No. of Respondents	47	36	23	18	13	137
	Percentage (%)	(12.70)	(9.80)	(6.20)	(4.90)	(3.50)	(37.10)
Public Officer	No. of Respondents	10	7	7	2	2	28
	Percentage (%)	(2.70)	(1.90)	(1.90)	(0.50)	(0.50)	(7.60)
DGM-Legal	No. of Respondents	3	3	2	1	0	9
	Percentage (%)	(0.80)	(0.80)	(0.50)	(0.30)	(0.00)	(2.40)
Assistant Manager	No. of Respondents	20	13	14	6	4	57
	Percentage (%)	(5.40)	(3.50)	(3.80)	(1.60)	(1.10)	(15.40)
Business Head	No. of Respondents	1	1	0	1	0	3
	Percentage (%)	(0.30)	(0.30)	(0.00)	(0.30)	(0.00)	(0.80)
Credit Manager	No. of Respondents	3	1	2	1	2	9
	Percentage (%)	(0.80)	(0.30)	(0.50)	(0.30)	(0.50)	(2.40)
Others	No. of Respondents	2	2	0	1	1	6
	Percentage (%)	(0.50)	(0.50)	(0.00)	(0.30)	(0.30)	(1.60)
Total	No. of Respondents	130	93	70	46	30	369
	Percentage (%)	(35.20)	(25.20)	(19.00)	(12.50)	(8.10)	(100)
Clerical Level staffs							
Single window operator	No. of Respondents	48	36	25	24	17	150
	Percentage (%)	(9.1)	(6.89)	(4.78)	(4.59)	(3.25)	(28.73)
Head Cashier	No. of Respondents	26	20	15	9	6	76
	Percentage (%)	(5.00)	(3.80)	(2.90)	(1.70)	(1.10)	(14.60)
Cashier	No. of Respondents	6	4	3	2	1	16
	Percentage (%)	(1.10)	(0.80)	(0.57)	(0.40)	(0.40)	(3.06)
Administrative clerks	No. of Respondents	44	31	22	15	8	120
	Percentage (%)	(8.40)	(5.90)	(4.20)	(2.90)	(1.53)	(22.98)
Others	No. of Respondents	57	42	30	18	13	160
	Percentage (%)	(10.90)	(8.00)	(5.70)	(3.40)	(2.50)	(30.70)
Total	No. of Respondents	181	133	95	68	45	522
	Percentage (%)	(34.67)	(25.47)	(18.19)	(13.02)	(8.62)	(100)

Source: Primary Data

Table 6.5 shows that out of the 369 respondents surveyed, 37.10 percent of the respondents are officers, 32.60 percent are branch managers,

15.40 percent are assistant managers and 7.60 percent public officers. Similarly, 2.40 percent of the respondents are DGM-Legal officials, 2.40 percent are credit managers, 0.80 percent, 1.60 percent are business heads and working in other sections respectively.

In the case of clerical staff, 28.73 percent of the respondents are single window operators, 14.60 percent head cashiers, 22.98 percent administrative clerks, 3.06 percent cashier and 30.70 percent in other positions.

### 6.1.6 Mode of Entry to Current Designation

The entry levels of the employees to their present positions are different in different banks. Table 6.6 shows the entry level of employees in the selected banks.

**Table 6.6** Mode of Entry to Current Designation

Managerial Level Officers							
Mode of entry	Respondents	State Bank of Travancore	Federal Bank	South Indian Bank	Catholic Syrian Bank	Dhanlaxmi Bank	Total
Direct	No. of Respondents	59	46	32	18	14	169
	Percentage (%)	(16.00)	(12.50)	(8.70)	(4.90)	(3.80)	(45.80)
Promotion	No. of Respondents	70	46	38	27	16	197
	Percentage (%)	(19.00)	(12.50)	(10.30)	(7.30)	(4.30)	(53.40)
Any other	No. of Respondents	1	1	0	1	0	3
	Percentage (%)	(0.30)	(0.30)	(0.00)	(0.30)	(0.00)	(0.80)
Total	No. of Respondents	130	93	70	46	30	369
	Percentage (%)	(35.20)	(25.20)	(19.00)	(12.50)	(8.10)	(100)
Clerical Level staffs							
Direct	No. of Respondents	98	69	47	31	22	267
	Percentage (%)	(18.80)	(13.20)	(9.00)	(5.90)	(4.20)	(51.10)
Promotion	No. of Respondents	92	68	46	32	17	255
	Percentage (%)	(17.60)	(13.00)	(8.80)	(6.10)	(3.30)	(48.90)
Any other	No. of Respondents	0	0	0	0	0	0
	Percentage (%)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total	No. of Respondents	190	137	93	63	39	522
	Percentage (%)	(36.40)	(26.20)	(17.80)	(12.10)	(7.50)	(100)

Source: Primary Data

Table 6.6 indicates that out of the 369 managerial officers surveyed, 53.40 percent entered into the current designation through promotions, 45.80

percent were through direct recruitment and 0.80 percent were placed through other modes. Similarly, 51.10 percent of the bank clerical staffs directly entered into the current designation, 48.90 percent were through promotions.

### 6.1.7 Work Experience

Competence increases through experience gathered at work. The more professional experience one gets the better in disposing tasks. Table 6.7 shows the experience gained by the staff in the selected banks.

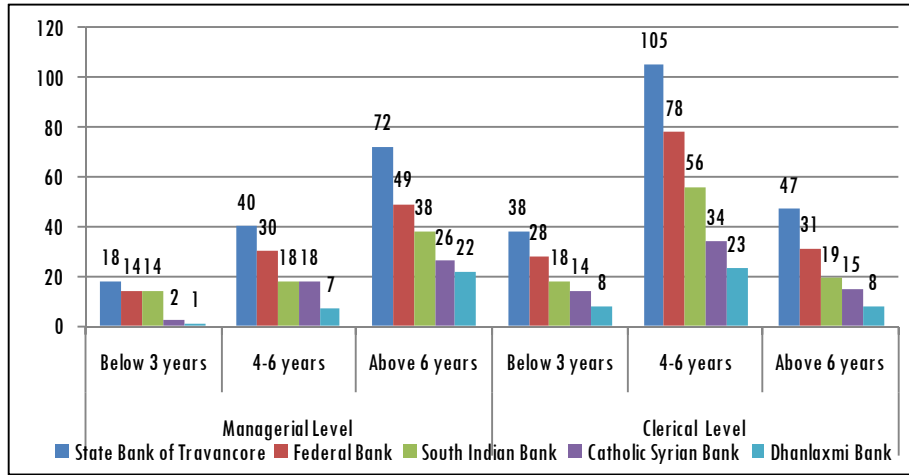
**Table 6.7** Work Experience

Managerial Level Officers							
Experience	Respondents	State Bank of Travancore	Federal Bank	South Indian Bank	Catholic Syrian Bank	Dhanlaxmi Bank	Total
Below 3 years	No. of Respondents	18	14	14	2	1	49
	Percentage (%)	(4.90)	(3.80)	(3.80)	(0.50)	(0.30)	(13.30)
4-6 years	No. of Respondents	40	30	18	18	7	113
	Percentage (%)	(10.80)	(8.10)	(4.90)	(4.90)	(1.90)	(30.60)
Above 6 years	No. of Respondents	72	49	38	26	22	207
	Percentage (%)	(19.50)	(13.30)	(10.30)	(7.00)	(6.00)	(56.10)
Total	No. of Respondents	130	93	70	46	30	369
	Percentage (%)	(35.20)	(25.20)	(19.00)	(12.50)	(8.10)	(100)
Clerical Level staffs							
Below 3 years	No. of Respondents	38	28	18	14	8	106
	Percentage (%)	(7.30)	(5.40)	(3.40)	(2.70)	(1.50)	(20.30)
4-6 years	No. of Respondents	105	78	56	34	23	296
	Percentage (%)	(20.10)	(14.90)	(10.70)	(6.50)	(4.40)	(56.70)
Above 6 years	No. of Respondents	47	31	19	15	8	120
	Percentage (%)	(9.00)	(5.90)	(3.60)	(2.90)	(1.50)	(23.00)
Total	No. of Respondents	190	137	93	63	39	522
	Percentage (%)	(36.40)	(26.20)	(17.80)	(12.10)	(7.50)	(100)

Source: Primary Data

Among 369 officers, 56.10 percent have more than 6 years work experience in the banking sector, 30.60 percent are 4-6 years experienced and 13.30 percent managers have 3 years or less than that. Further, out of the 522 clerk level staffs, 56.70 percent have gained 4-6 years work experience, 23.00 percent have more than 6 years and 20.30 percent have 3 years or less than that.

**Exhibit 6.4 Work experience**



**6.1.8 Monthly Income**

Table 6.8 presents information about the income of the employees surveyed.

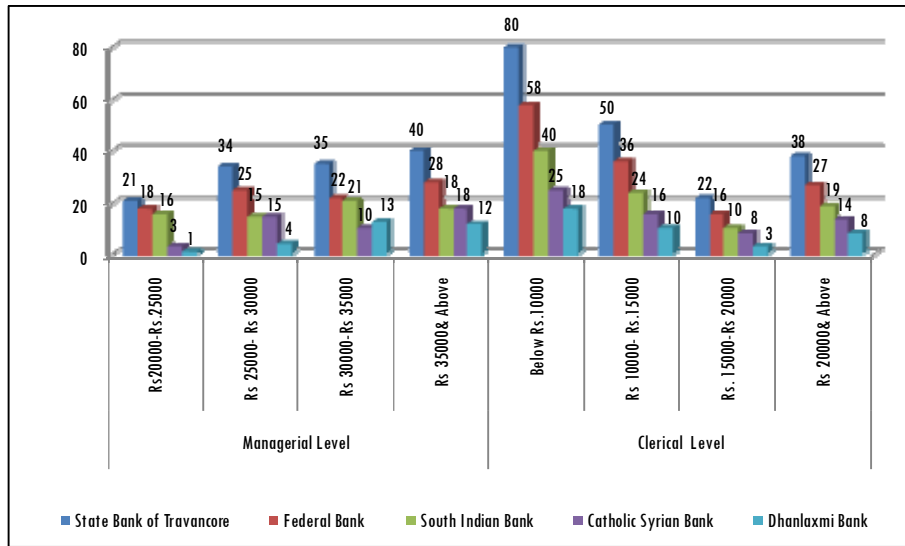
**Table 6.8: Monthly Income of the respondents**

Managerial Level Officers							
Monthly Income	Respondents	State Bank of Travancore	Federal Bank	South Indian Bank	Catholic Syrian Bank	Dhanlaxmi Bank	Total
Rs20000-Rs.25000	No. of Respondents	21	18	16	3	1	59
	Percentage (%)	(5.70)	(4.90)	(4.30)	(0.80)	(0.30)	(16.00)
Rs 25000- Rs 30000	No. of Respondents	34	25	15	15	4	93
	Percentage (%)	(9.20)	(6.80)	(4.10)	(4.10)	(1.10)	(25.20)
Rs 30000-Rs 35000	No. of Respondents	35	22	21	10	13	101
	Percentage (%)	(9.50)	(6.00)	(5.70)	(2.70)	(3.50)	(27.40)
Rs 35000& Above	No. of Respondents	40	28	18	18	12	116
	Percentage (%)	(10.80)	(7.60)	(4.90)	(4.90)	(3.30)	(31.40)
Total	No. of Respondents	130	93	70	46	30	369
	Percentage (%)	(35.20)	(25.20)	(19.00)	(12.50)	(8.10)	(100)
Clerical Level staffs							
Below Rs.10000	No. of Respondents	80	58	40	25	18	221
	Percentage (%)	(15.30)	(11.10)	(7.70)	(4.80)	(3.40)	(42.30)
Rs 10000- Rs.15000	No. of Respondents	50	36	24	16	10	136
	Percentage (%)	(9.60)	(6.90)	(4.60)	(3.10)	(1.90)	(26.10)
Rs. 15000-Rs 20000	No. of Respondents	22	16	10	8	3	59
	Percentage (%)	(4.20)	(3.10)	(1.90)	(1.50)	(0.60)	(11.30)
Rs 20000& Above	No. of Respondents	38	27	19	14	8	106
	Percentage (%)	(7.30)	(5.20)	(3.60)	(2.70)	(1.50)	(20.30)
Total	No. of Respondents	190	137	93	63	39	522
	Percentage (%)	(36.40)	(26.20)	(17.80)	(12.10)	(7.50)	(100)

Source: Primary Data



**Exhibit 6.5 Monthly income**



The table indicates that 31.40 percent of the managers earn above Rs.35,000 per month, 27.40 percent between Rs.30000- Rs.35,000, 25.20 percent between Rs.25000- Rs.30000 per month and 16.00 percent between Rs. 20000-25000. In addition to that, 42.30 percent of clerical staffs earn below Rs.10000 per month, 26.10 percent of them between Rs.10000- Rs.15000, 11.30 percent between Rs.15000- Rs. 20000 and 20.30 percent of the respondents earn above Rs.20000 per month.

## 6.2. Importance of competency in Organisational HR Practices

In this section of the study, the researcher has attempted to analyse the selected banks give importance to competency evaluation in HR practices in terms of employee selection, job design, performance appraisal, career development, promotion & pay, superior-subordinate relationship and training & development.

### 6.2.1. Employee Selection

Behavioural competency is required for the successful performance of the employees. Therefore, the behavioural competency of the employees during the selection process is to be analyzed. Table 6.9 indicates the evaluation of behavioural competency during the selection process.

**Table 6.9 Employee Selection Process**

Banks	Officers						Clerical staff					
	Employee Selection			Measure of Behavioral Competency at time of selection			Employee Selection			Measure of Behavioral Competency at time of selection		
	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage
State Bank of Travancore	383	2.95	73.75	336	2.58	64.50	508	2.67	66.84	472	2.48	62.11
Federal Bank	278	2.99	74.75	241	2.59	64.75	372	2.72	67.88	341	2.49	62.23
South Indian Bank	201	2.87	71.75	180	2.57	64.25	263	2.83	70.70	232	2.49	62.37
Catholic Syrian Bank	138	3.00	75.00	121	2.63	65.75	186	2.95	73.81	159	2.52	63.10
Dhanlaxmi Bank	81	2.70	67.50	70	2.33	58.25	107	2.74	68.59	93	2.38	59.62

Source: Primary Data

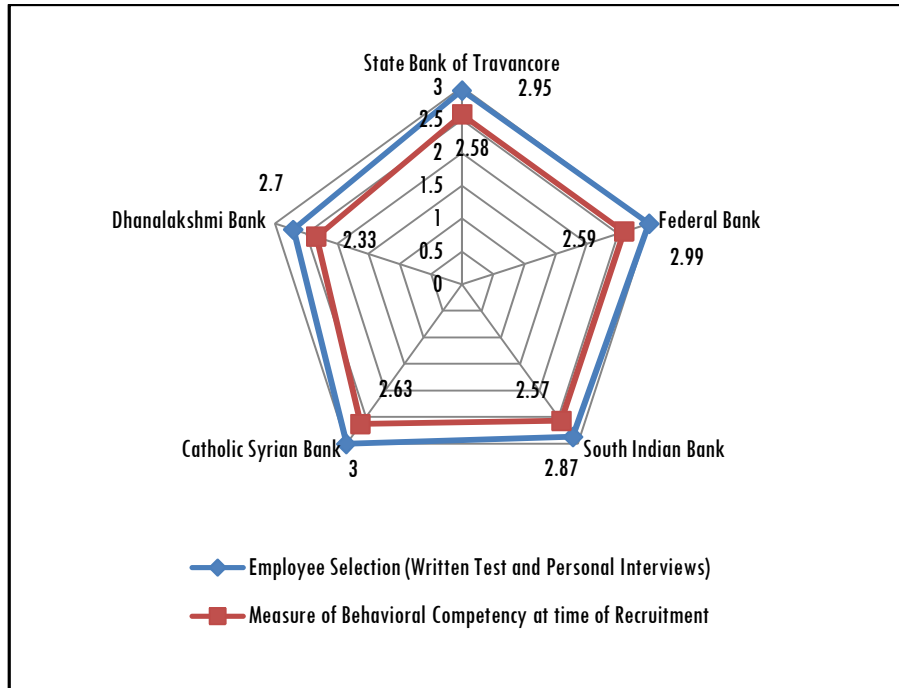
Table 6.9 shows that among the managerial staffs, 75 percent of the Catholic Syrian Bank officials and 74.75 percent of Federal Bank officials, 74 percent of the State Bank of Travancore officials, 71.75 percent of officers in South Indian Bank and 67.50 percent of Dhanlaxmi Bank officials revealed that employees are selected based on the written test and personal interviews.

Regarding the clerical staffs' opinion, 73.81 percent of Catholic Syrian Bank clerical employees, 70.70 percent of South Indian Bank respondents, 68.59 percent of the Dhanlaxmi Bank employees, 67.88 percent of Federal Bank employees and 66.84 percent of State Bank of Travancore respondents stated that performance in the written test and personal interviews decide selection of employees.

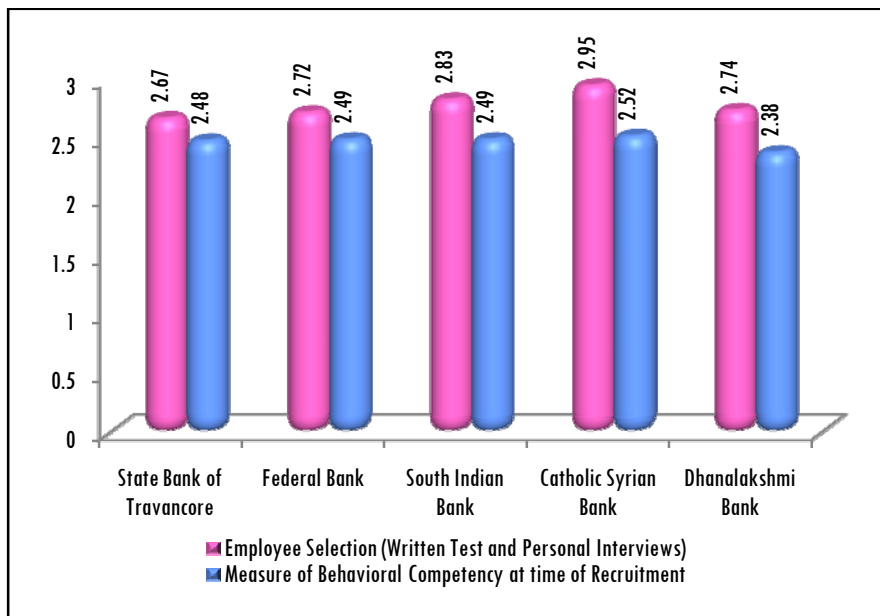
In the case of evaluation of competency, only 65.75 percent of Catholic Syrian Bank officers, 64.75 percent of the Federal Bank officers and 64.50 percent of State Bank of Travancore officers, 64.25 percent of South Indian Bank officials and only 58.25 percent of the Dhanlaxmi Bank officials stated that selection procedure based on the competency of the candidate.

More than that, 63 percent of the Catholic Syrian Bank employees, 62.37 percent of the South Indian Bank employees, 62.23 percent of the Federal Bank employees, 62.11 percent of State Bank of Travancore employees and 59.62 percent of the Dhanlaxmi Bank employees stated that competency is one criterion for employee selection in their banks.

**Exhibit 6.6 Employee Selection (Managerial Staff)**



**Exhibit 6.7 Clerical staffs' Employee Selection**



## 6.2.2 Job Design

Better job design leads to breaking of monotony and energise motivation at workplace. The officers as well as the clerical staffs were asked to indicate their perceptions regarding job design practices adhered in their banks. Table 6.10 presents their responses.

**Table 6.10** Job Design (Managerial Staff)

Banks	Job Specification			Job Rendering			Job Fit			Job Matching with Employees Qualification		
	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage
State Bank of Travancore	338	3.35	83.75	326	3.23	80.75	330	3.27	81.75	300	2.97	74.25
Federal Bank	248	3.40	85.00	234	3.21	80.25	227	3.11	77.75	227	3.11	77.75
South Indian Bank	180	3.27	81.75	178	3.24	81.00	184	3.35	83.75	155	2.82	70.50
Catholic Syrian Bank	120	3.33	83.25	114	3.17	79.25	106	2.94	73.50	108	3.00	75.00
Dhanlaxmi Bank	79	3.43	85.75	75	3.26	81.50	73	3.17	79.25	74	3.22	80.50

Source: Primary Data

Table 6.10 shows according to 83.75 percent of the respondents of the State Bank of Travancore, their bank provided job specification on each role. Around 81 percent of the respondents said that they did their job according to the job description while 81.75 percent stated that their job descriptions perfectly matched with the actual jobs they performed and 74.25 percent stated that their jobs perfectly matched with their educational qualifications and experience.

Similarly, according to 85.00 percent of the Federal Bank respondents the bank provided job specification on each role. More than 80 percent said that they did their job according to the job description, 77.75 percent said that their job description is matching with the actual job and

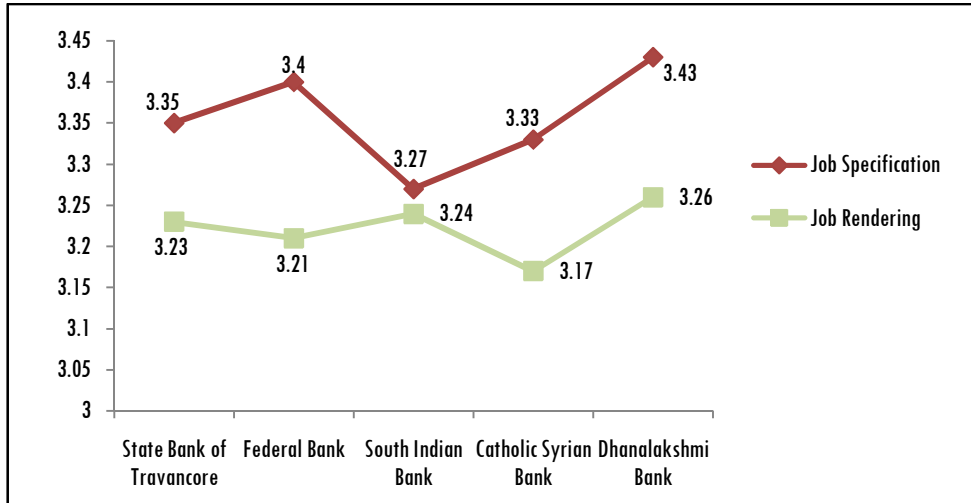
77.75 percent opinioned that their jobs perfectly matched with their educational qualification and experience.

In the case of South Indian Bank 81.75 percent of the respondents have opined that the organization provided job specification on each role, 81.00 percent stated that they did their job according to the job description. Around 84 percent said that their job description was matching with the actual job and 70.50 percent opined that their job was matching with their educational qualification and experience.

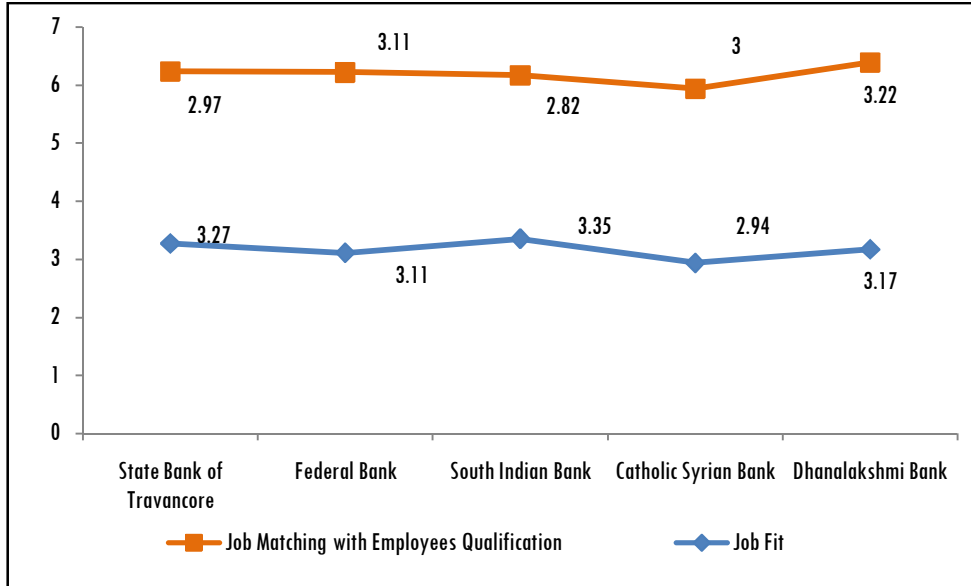
In the case of Catholic Syrian Bank, 83.25 percent of the respondents opined that the organization provided job specification on each role. Similarly, 79.25 percent of the employees said that they did their job according to the job description, 73.50 percent stated that their job description matched with the actual job and 75.00 percent opined that their job matched with their educational qualification and experience.

With respect to the Dhanlaxmi Bank, 85.75 percent of respondents opined that the organization provides job specification on each role, 81.50 percent of them have said that they did their job according to the job description. More than 79 percent of the managers said that their job description matched with the actual job and 80.50 percent opined that their job matched with their educational qualification and experience. Exhibit 6.3 & 6.4 presents the managerial staffs opinion about job design.

**Exhibit: 6.8 Job Design (Managerial staff)**



**Exhibit: 6.9 Job Design (Managerial Staff)**

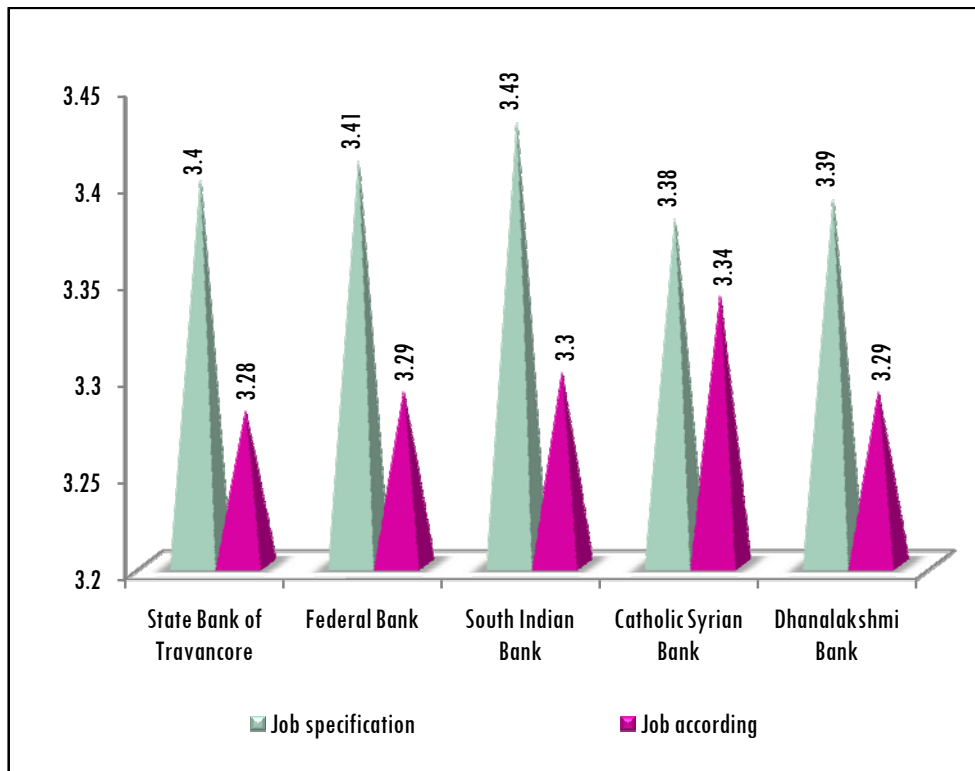


**Table 6.11** Job Design (Clerical Staffs)

Banks	Job specification			Job according			Job matching with the actual job			Job matching with employee educational qualification and experience		
	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage
State Bank of Travancore	480	3.40	85.00	463	3.28	82.00	483	3.43	85.75	428	3.04	76.00
Federal Bank	348	3.41	85.25	336	3.29	82.25	350	3.43	85.75	308	3.02	75.50
South Indian Bank	237	3.43	85.75	228	3.30	82.50	237	3.43	85.75	205	2.97	74.25
Catholic Syrian Bank	159	3.38	84.50	157	3.34	83.50	162	3.45	86.25	141	3.00	75.00
Dhanlaxmi Bank	95	3.39	84.75	92	3.29	82.25	96	3.43	85.75	87	3.11	77.75

Source: Primary Data

**Exhibit: 6.10** Job Design (Clerical Staffs)





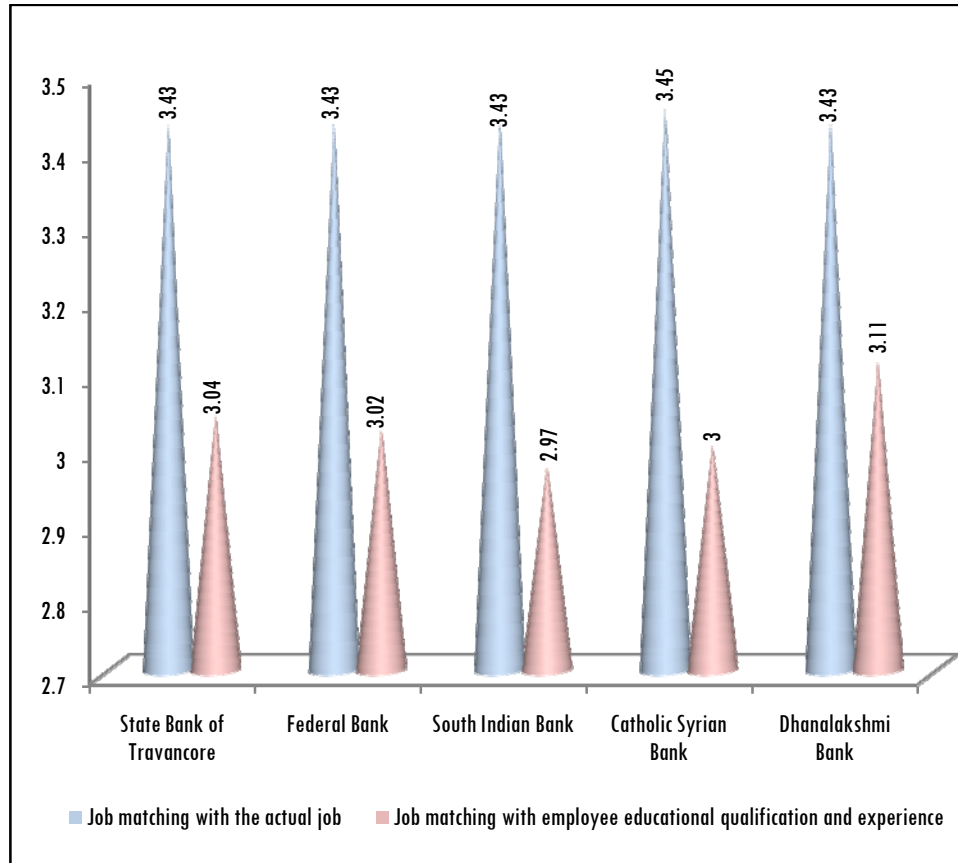
**Exhibit: 6.11 Job Design (Clerical Staffs)**

Table 6.11 reveals that 85.75 percent of South Indian Bank employees revealed that their organization had job specification to each role. More than that, 85.25 percent of Federal Bank respondents opined that each role has specific importance in their organization. Similarly, 85 percent of State Bank of Travancore respondents said that the organization used to give job specification for each of the positions. With respect to Dhanlakshmi Bank, 84.75 percent of the respondents opined that their organization assigned job specifications to different roles. Further, 84.50 percent of Catholic Syrian Bank employees said that their organization is very specific in allocating jobs.

Around 83.50 percent of Catholic Syrian Bank employees stated that they did their job according to the job description provided by the organization. Similarly, 82.50 percent of South Indian Bank employees revealed that they customarily followed the regulations of the organization. More than that, 82.25 percent of the Federal Bank, Dhanlaxmi Bank employees and 82 percent of State Bank of Travancore clerks said that they did their work according to their organization's description.

In the Catholic Syrian Bank, 86.25 percent of employees stated that the job description provided by the organization is suitable to their actual job. Similarly, 85.75 percent of the State Bank of Travancore, the Federal Bank, the South Indian Bank and the Dhanlaxmi Bank employees said that the job description given by their banks fitted with their jobs.

Around 77.75 percent of the Dhanlaxmi Bank employees revealed that their job fitted well with their educational qualification & experience. Similarly, 76 percent of the State Bank of Travancore employees stated that they are satisfied with the current job as it suited to their qualification & experience. Similarly, 75.50 percent of the Federal Bank employees revealed that their current job is suitable to their capability and so they are comfortable in their work place. In addition, 75 percent of the Catholic Syrian Bank employees hold the view that their current job perfectly suited to their educational qualification and experience and 74.25 percent of South Indian Bank respondents have stated that their role in the bank is suitable to their qualification and experience.

### **6.2.3 Performance Appraisal**

Performance appraisal is a tool to evaluate the performance of the employees as well as job efficacy. The output or performance of the employees reveals the competency level of them. Therefore, the analysis depicted the importance of evaluation of competency during the performance appraisal of them. Table 6.12 presents the results.

Table 6.12 Performance Appraisal

Banks	Officers						Clerical staff					
	Employee competency			Job analysis regularly			Employee competency			Job analysis regularly		
	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage
State Bank of Travancore	303	3.00	75.00	302	2.99	74.75	366	2.60	65.00	415	2.94	73.50
Federal Bank	224	3.07	76.75	224	3.07	76.75	262	2.57	64.25	300	2.94	73.50
South Indian Bank	162	2.95	73.75	161	2.93	73.25	170	2.46	61.50	201	2.91	72.75
Catholic Syrian Bank	108	3.00	75.00	110	3.06	76.50	125	2.66	66.50	139	2.96	74.00
Dhanlaxmi Bank	71	3.09	77.25	72	3.13	78.25	72	2.57	64.25	89	3.18	79.50

Source: Primary Data

Table 6.12 reveals that 77.25 percent of the Dhanlaxmi Bank officers, 77.25 percent of the Federal Bank officers, 75 percent of the State Bank of Travancore and Catholic Syrian Bank respondents and 73.75 percent of South Indian Bank officers revealed that the organization consider competency is one of the criteria for performance appraisal.

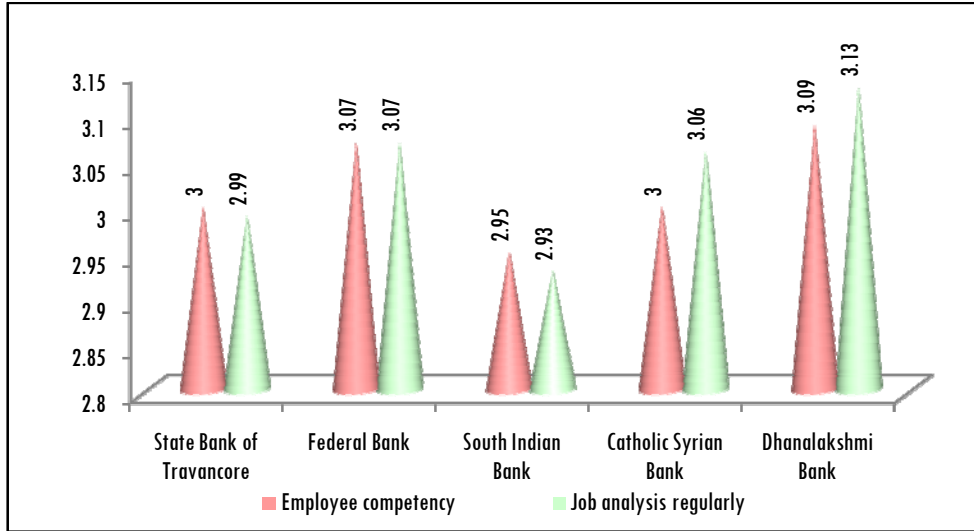
In the case of clerical staffs, 66.50 percent clerical staff of the Catholic Syrian Bank, 65 percent of the State Bank, 64.25 percent of the Federal Bank and the Dhanlaxmi Bank and 61.50 percent of the clerk level staffs of the South Indian Bank agreed that the competency is the one criterion considered by the bank for their appraisal.

According to 78.25 percent managers of the Dhanlaxmi Bank, 76.75 percent of the Federal Bank officers, 76.50 percent of the Catholic Syrian Bank officers, 73.25 percent of the South Indian Bank employees and 74.75 percent of the State Bank of Travancore officers, their banks conducted regular job analysis and that helped them to improve the competency level of the staffs.

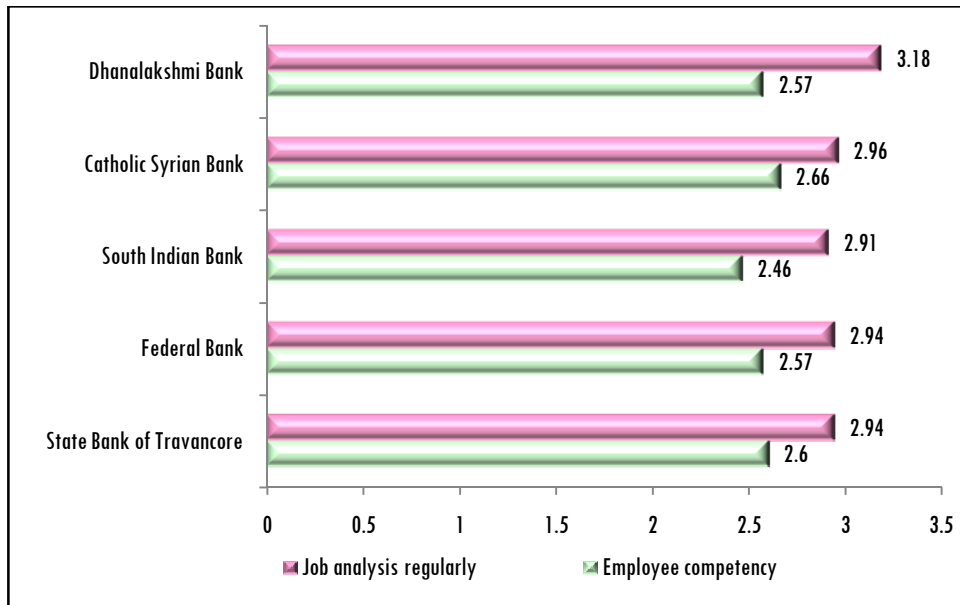
Around 79.50 percent clerical staffs of the Dhanlaxmi Bank believe that job analysis is conducted by the bank regularly. Similarly, 73.50 percent of the State Bank of Travancore and the Federal Bank, 74 percent of the clerical staff of Catholic Syrian Bank and 72.75 percent of the South Indian Bank stated that their banks give an importance to regular job analysis.

Exhibit 6.7 and 6.8 presents information with respect to about performance appraisal.

**Exhibit 6.12 Performance Appraisal (Officers)**



**Exhibit 6.13 Performance Appraisal (Clerical Staffs)**



### 6.2.4 Career Development

Career development schemes in the banks help the employees to improve their work efficiency and make them more competent in their work place.

**Table 6.13** Career Development

Banks	Officers						Clerical staff					
	Proper platform to implement all employee potential in employee job			The current job helps to increase employee competency level			Proper platform to implement all employee potential in employee job			The current job helps to increase employee competency level		
	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage
State Bank of Travancore	322	3.19	79.75	314	3.11	77.75	439	3.11	77.75	422	2.99	74.75
Federal Bank	243	3.33	83.25	243	3.33	83.25	316	3.10	77.50	304	2.98	74.50
South Indian Bank	167	3.04	76.00	162	2.95	73.75	210	3.04	76.00	202	2.93	73.25
Catholic Syrian Bank	120	3.33	83.25	122	3.39	84.75	147	3.13	78.25	141	3.00	75.00
Dhanlaxmi Bank	75	3.26	81.50	76	3.30	82.50	87	3.11	77.75	82	2.93	73.25

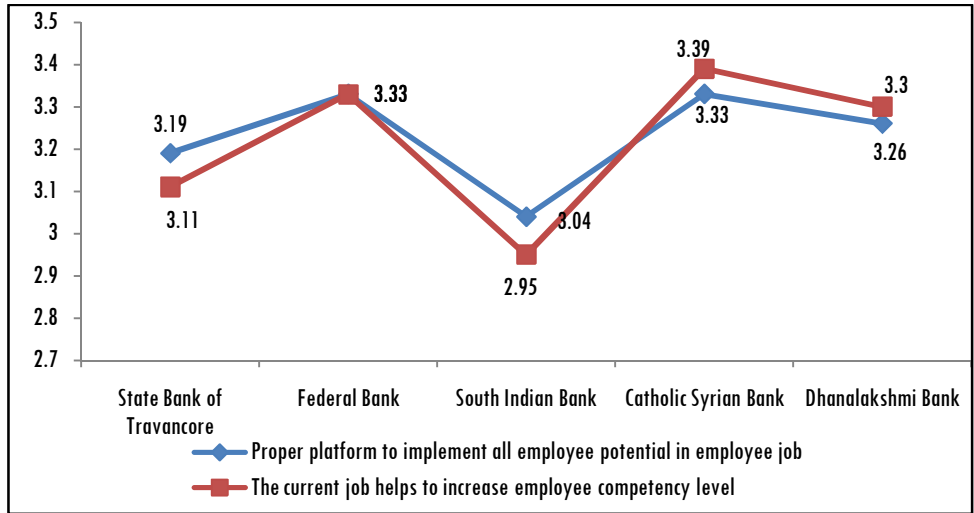
Source: Primary Data

Table 6.13 shows that the officers and clerks opinion about the career development programmes to enhance their competency level. Among the managerial staffs, 83.25 percent of the Federal Bank and the Catholic Syrian Bank, 81.50 percent officers of the Dhanlaxmi Bank, 79.75 percent of the respondents of the State Bank of Travancore and 76 percent of the South Indian Bank officers stated that the career development opportunities existing in the banks develop their talents in the current job. They also opined that it served as a good platform to learn things.

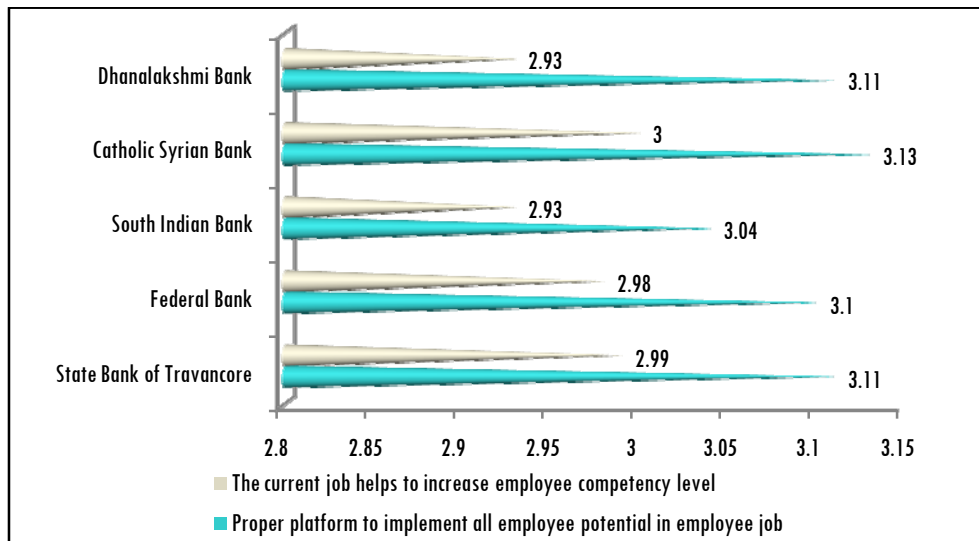
Around 84.75 percent of Catholic Syrian Bank officers, 83.25 percent officers of the Federal Bank, 82.50 percent respondents of the Dhanlaxmi Bank, 77.75 percent respondents of the State Bank of Travancore and 73.75 percent respondents of the South Indian Bank stated that their career development opportunities helped them to improve their competency in their current jobs.. Similarly, they have agreed that their job helps them to improve the competency.

Regarding clerical staffs, 78.25 percent of the Catholic Syrian Bank clerks, 77.50 percent of Federal Bank, 76.00 percent of South Indian Bank and 77.75 percent of the State Bank of Travancore and Dhanlaxmi bank clerical staff expressed the opinion that the career development programmes in the banks prompted them to perform well in their current jobs. It is further noted from the table that 74.75 percent of State Bank of Travancore, 74.50 of Federal Bank, 73.25 of South Indian Bank, 75 percent of Catholic Syrian Bank and 73.25 percent of Dhanlaxmi bank employees agreed that the career development programmes in the banks helped to improve the work competency of the staff in their current jobs.

**Exhibit: 6.14 Career Development (Officers)**



**Exhibit: 6.15 Career Development (Clerical Staffs)**



### 6.2.5 Promotion and Pay

The organizations design the promotion and pay structure of the employees mainly based on their competency level. To see how far this is true in the case of the banks studied, opinions were collected from the employees. The same is presented in Table 6.14.



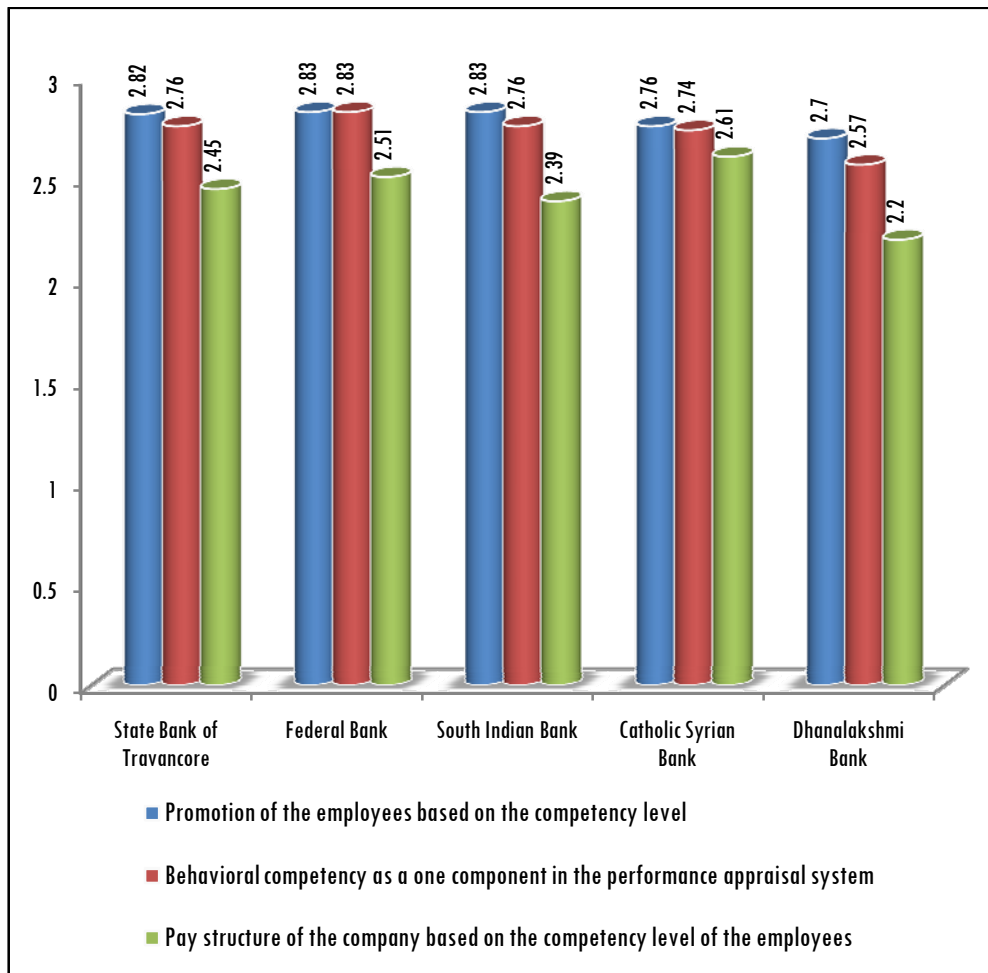
**Table 6.14 Promotion and Pay**

Banks	Officers						Clerical staff											
	Promotion of the employees based on the competency level			Behavioral competency as a one component in the performance appraisal system			Pay structure of the company based on the competency level of the employees			Promotion of the employees based on the competency level			Behavioral competency as a one component in the performance appraisal system			Pay structure of the company based on the competency level of the employees		
	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage
State Bank of Travancore	366	2.82	70.50	359	2.76	69.00	319	2.45	61.25	502	2.64	66.05	482	2.54	63.42	471	2.48	61.97
Federal Bank	263	2.83	70.75	263	2.83	70.75	233	2.51	62.75	362	2.64	66.06	351	2.56	64.05	337	2.46	61.50
South Indian Bank	198	2.83	70.75	193	2.76	69.00	167	2.39	59.75	247	2.66	66.40	236	2.54	63.44	225	2.42	60.48
Catholic Syrian Bank	127	2.76	69.00	126	2.74	68.50	120	2.61	65.25	170	2.70	67.46	163	2.59	64.68	157	2.49	62.30
Dhanalakshmi Bank	81	2.70	67.50	77	2.57	64.25	66	2.20	55.00	98	2.51	62.82	96	2.46	61.54	97	2.49	62.18

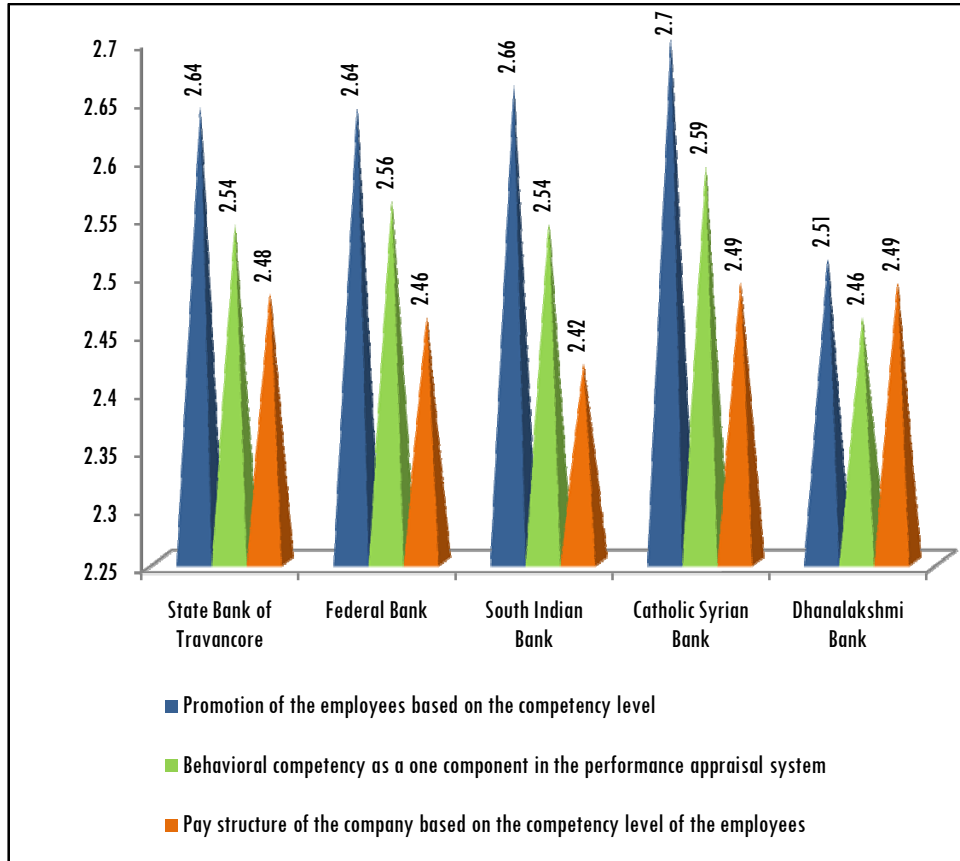
Source: Primary Data

Table 6.14 shows that whether the competency is considered for promotion and pay structure in the selected banks. A sizeable majority of the managerial and clerical staff (55%-70%) believe that banks considered their competency while determining salary as well as promotions.

**Exhibit: 6.16** Promotion And Pay (Officers)



**Exhibit: 6.17 Promotion and Pay (Clerical Staffs)**



### 6.2.6 Superior-Subordinate Relationship

The Cordial and healthy working environment of the organisation help the employees to improve their efficiency. The cordial relationship existing in the banks gives opportunities to the clerical staffs to express their views in the decision making process. This aspect is analysed in Table 6.15.

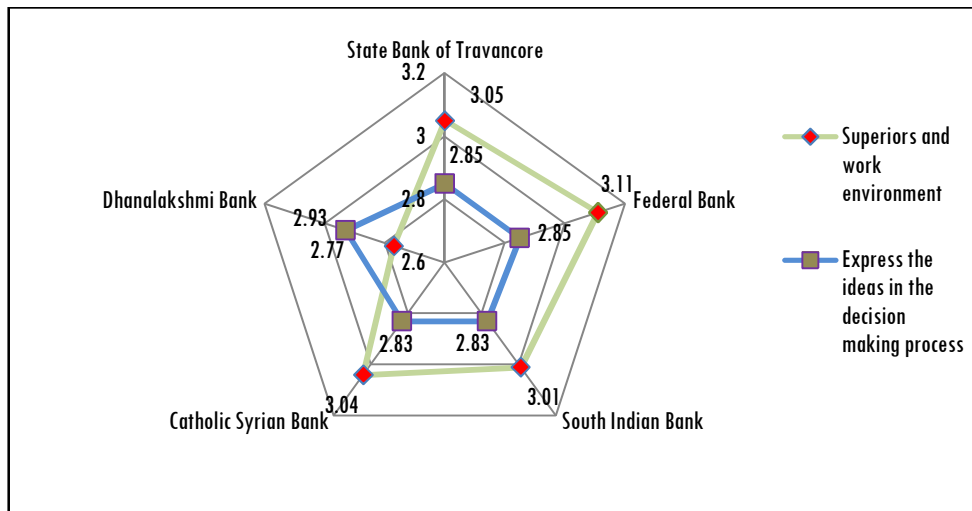
**Table 6.15 Superior- Clerical staffs Relationship**

Banks	Officers						Clerical staff					
	Superiors and work environment			Express the ideas in the decision making process			Superiors and work environment			Express the ideas in the decision making process		
	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage
State Bank of Travancore	396	3.05	76.25	370	2.85	71.25	518	2.73	68.16	492	2.59	64.74
Federal Bank	289	3.11	77.75	265	2.85	71.25	369	2.69	67.34	351	2.56	64.05
South Indian Bank	211	3.01	75.25	198	2.83	70.75	234	2.52	62.90	217	2.33	58.33
Catholic Syrian Bank	140	3.04	76.00	130	2.83	70.75	169	2.68	67.06	167	2.65	66.27
Dhanlaxmi Bank	83	2.77	69.25	88	2.93	73.25	101	2.59	64.74	102	2.62	65.38

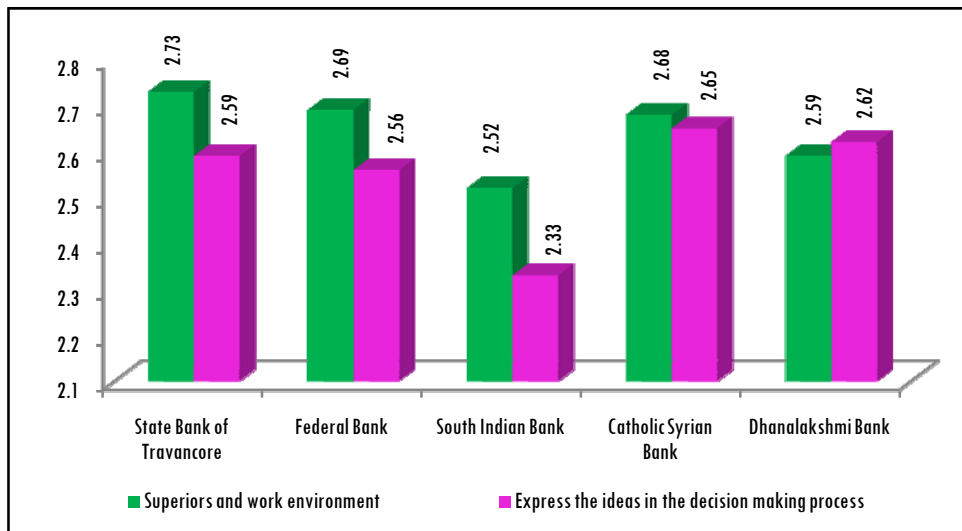
Source: Primary Data

Table 6.15 shows that the superior-subordinate relationship prevailing in the banks are congenial. This makes the work environment pleasant. The officers is pleased with the works of their clerical staffs and give ample chance to the employees to express their opinion. Similarly, the clerical staff has good opinion about their officers. They get enough chance to express their opinions.

**Exhibit: 6.18** Managers' Perception towards Their Relation and Participations with the clerical staffs



**Exhibit: 6.19** Clerical Staffs' Perception Towards their Relation and Participations with the officers



### 6.2.7 Training and Development

Today the success of any organization depends on the employee competencies. This is more important in the case of service organizations because they deal constantly with the public. Hence, Training and development become an important function to improve the competency level of the employees.

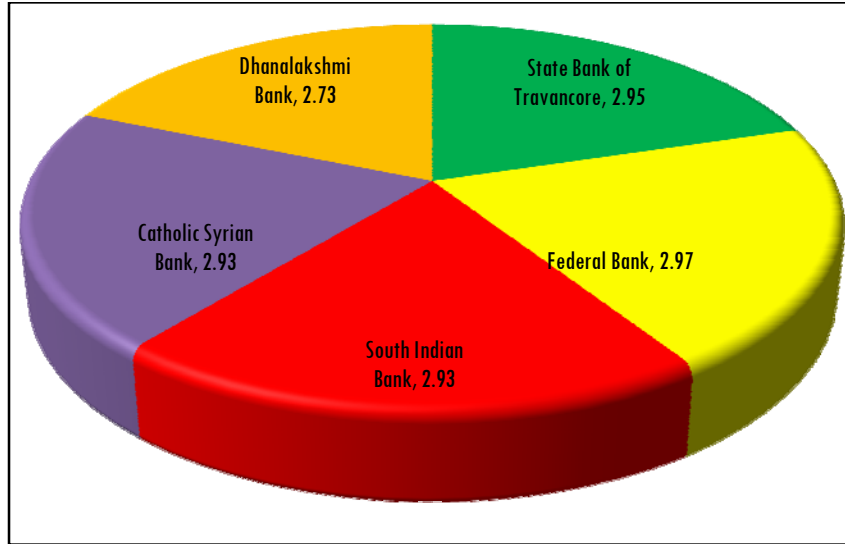
**Table 6.16** Training & Development

Banks	Officers			Clerical staff		
	Sum	Mean	Percentage	Sum	Mean	Percentage
State Bank of Travancore	383	2.95	59	514	2.71	54.2
Federal Bank	276	2.97	59.4	376	2.74	54.8
South Indian Bank	205	2.93	58.6	249	2.68	53.6
Catholic Syrian Bank	135	2.93	58.6	178	2.83	56.6
Dhanlaxmi Bank	82	2.73	54.6	98	2.51	50.2

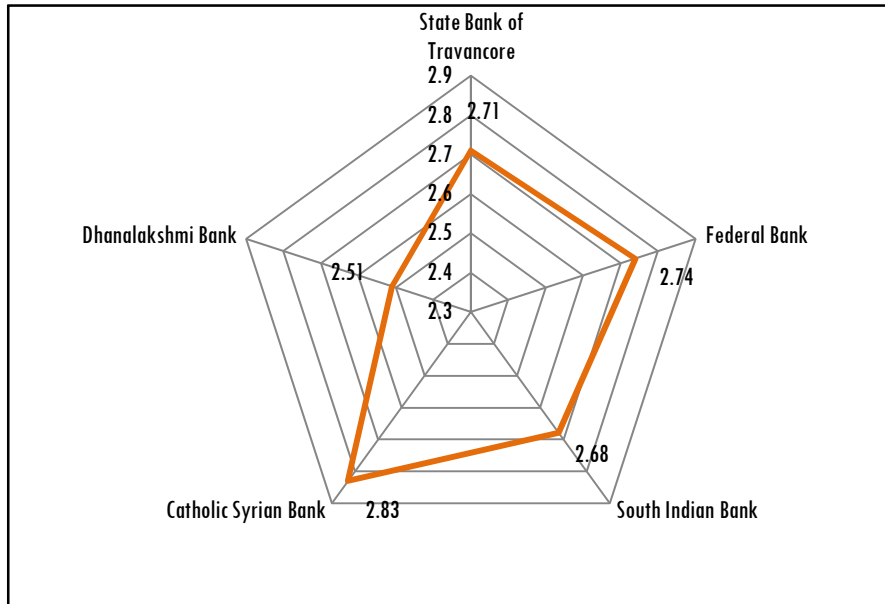
Source: Primary Data

Table 6.16 reveals that the officers opined about training programs provided by the banks. Only 55%-60% of the officers in the selected banks agreed that the existing training programme help the candidates to develop their behavioral level of competency. Table also shows that 50% - 57 % of the clerical staff opined that training programmes enhanced their competency in performing work.

**Exhibit: 6.20 Officers- Training & Development**



**Exhibit: 6.21 Clerical Staffs-Training & Development**



### 6.2.8 Competency Assessment

Table 6.17 presents the officers and clerical staffs' opinion with respect to the competency level for succeeding in performing the job.

**Table 6.17** Types of competencies

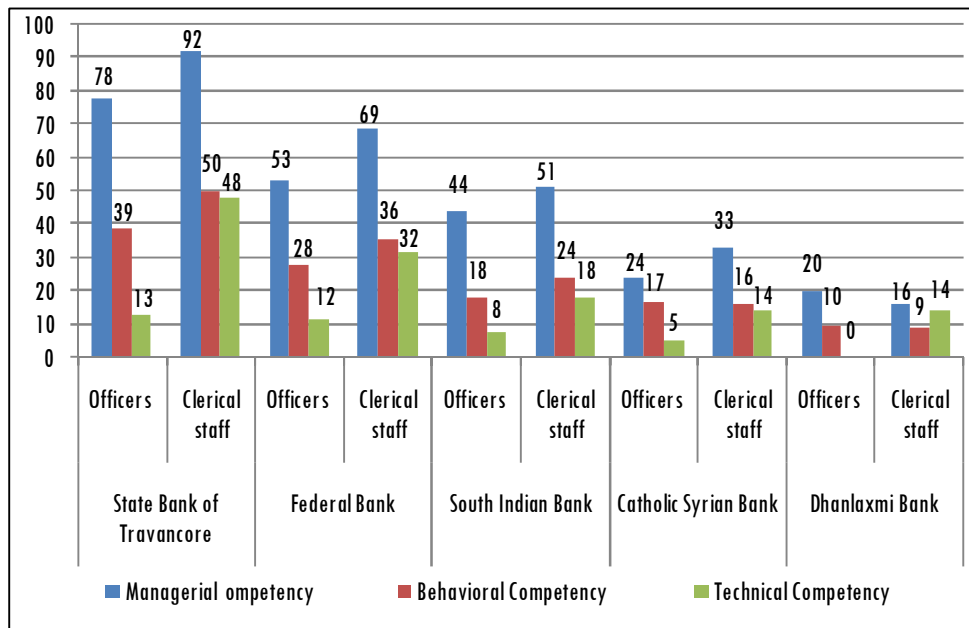
Type of competency	Bank Name												Total	
	State Bank of Travancore		Federal Bank		South Indian Bank		Catholic Syrian Bank		Dhanlaxmi Bank		Clerical staff		Officers	
	Officers	Clerical staff	Officers	Clerical staff	Officers	Clerical staff	Officers	Clerical staff	Officers	Clerical staff	Officers	Clerical staff	Officers	Clerical staff
Managerial	78	92	53	69	44	51	24	33	20	16	219	261		
Competency	(21.14)	(17.60)	(14.36)	(13.20)	(11.92)	(9.80)	(6.50)	(6.30)	(5.42)	(3.10)	(59.30)	(50.00)		
Behavioral	39	50	28	36	18	24	17	16	10	9	112	135		
Competency	(10.57)	(9.60)	(7.59)	(6.90)	(4.88)	(4.60)	(4.61)	(3.10)	(2.71)	(1.70)	(30.40)	(25.90)		
Technical Competency	13	48	12	32	8	18	5	14	0	14	38	126		
	(3.52)	(9.20)	(3.25)	(6.10)	(2.17)	(3.40)	(1.36)	(2.70)	(0.00)	(2.70)	(10.30)	(24.10)		
Total	130	190	93	137	70	93	46	63	30	39	369	522		
	(35.23)	(36.40)	(25.20)	(26.20)	(18.97)	(17.80)	(12.47)	(12.10)	(8.13)	(7.50)	(100)	(100)		

Source: Primary Data



Table 6.17 reveals that 59.30 percent of the officers and 50 percent of the clerical staff feels that they have managerial competency to succeed in his/her job.

**Exhibit: 6.22** Types of competencies



### 6.3 Job Satisfaction

Authorities use theories such as Maslow's Need Hierarchy Theory, Herzberg's Motivation-Hygiene Theory, and Vroom's Expectancy Model to describe the factors responsible for Job Satisfaction of employees in organizations. Broadly, one can say that an employee's Job Satisfaction relates to a number of variables. Major among them that influence the managers' level of satisfaction are listed in Table 6.18.

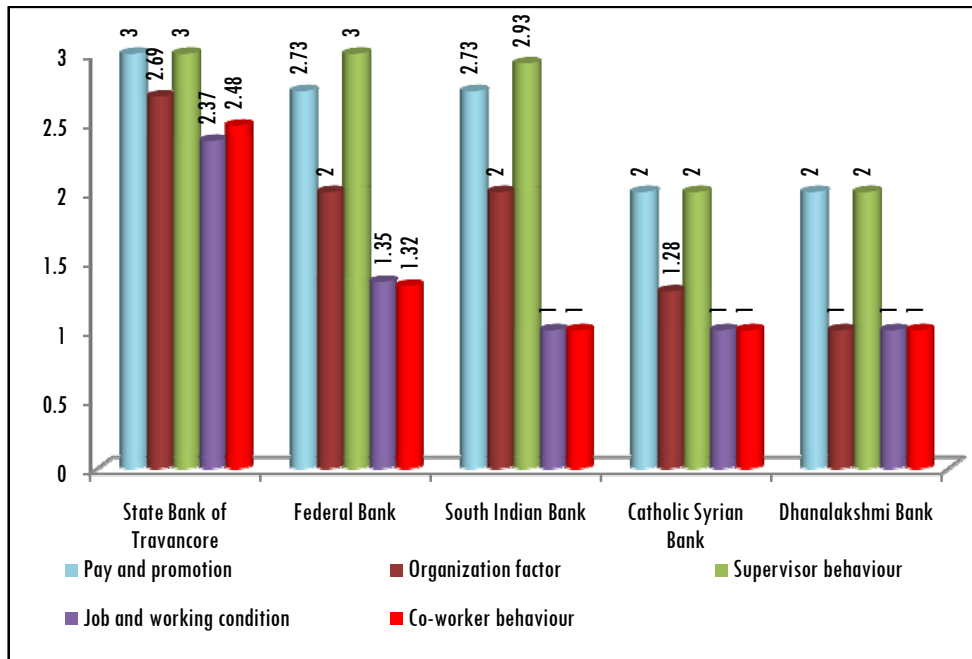
**Table: 6.18 Managers' Level of Satisfaction**

Satisfaction	State Bank of Travancore			Federal Bank			South Indian Bank			Catholic Syrian Bank			Dhanlaxmi Bank		
	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage
Pay and promotion	390	3.00	60.00	279	2.73	60.00	191	2.73	54.57	92	2.00	40.00	60	2.00	40.00
Organization factor	350	2.69	53.85	186	2.00	40.00	140	2.00	40.00	59	1.28	25.65	30	1.00	20.00
Supervisor behaviour	390	3.00	60.00	279	3.00	60.00	205	2.93	58.57	92	2.00	40.00	60	2.00	40.00
Job and working condition	308	2.37	47.38	126	1.35	27.10	70	1.00	20.00	46	1.00	20.00	30	1.00	20.00
Co-worker behaviour	323	2.48	49.69	123	1.32	26.45	70	1.00	20.00	46	1.00	20.00	30	1.00	20.00

Source: Primary Data

The factors that influence the managers' level of satisfaction with respect to each bank is discussed herein.

**Exhibit: 6.23 Managers Level Of Satisfaction**



### **State Bank or Travancore**

Table 6.25 indicates that 60 percent of the officers satisfied with pay, promotion, and superior's behaviour. Additionally, 53.85 percent, 47.38 percent and 49.69 percent officers satisfied with organisation factor, ob and working conditions and said co-workers' behavior.

### **Federal Bank**

From the above empirical study, it is inferred that 60 percent of the respondents' are highly satisfied with pay benefits and the behaviour of the superior officers. Correspondingly, 40 percent of sample subjects' opine moderate levels of satisfaction towards the organizational factors of Federal Bank. Similarly, 27.10 percent of sample subjects' are comfortable with the job and working conditions and 26.45 percent of employees' are happy with the co-worker's behaviour in Federal Bank.

### **South Indian Bank**

It is inferred that 58.57 percent of South Indian Bank employees have said that their supervisor has behaved politely to them. Followed by, 54.57 percent of respondents feel that rules and regulations are properly followed while fixing salaries and promotions. Consequently, 40 percent of them are happy with the organizational factors of South Indian Bank and 20 percent of employees have said that they have got good working condition and peer group relationship in South Indian Bank.

### **Catholic Syrian Bank**

The above table infers that 40 percent of the Catholic Syrian Bank employees opine that their organisation provides reasonable pay & other benefits and they have good hierarchy relationship with their seniors.

Followed by, 25.65 percent of respondents' are satisfied with the organizational structure of the Catholic Syrian Bank. Further, it has been observed that 20 percent of respondents' are happy with co-worker behaviour and working condition of Catholic Syrian Bank.

### Dhanlaxmi Bank

From the above table, it has been inferred that, 40 percent of Dhanlaxmi Bank officers' opine that they are highly satisfied with hierarchy relationship and promotional benefits offered by Dhanlaxmi Bank. Further, it is observed that 20 percent of the respondents have said that the organizational framework, peer group relationship and working environment of Dhanlaxmi Bank are reliable to the needs of the employees.

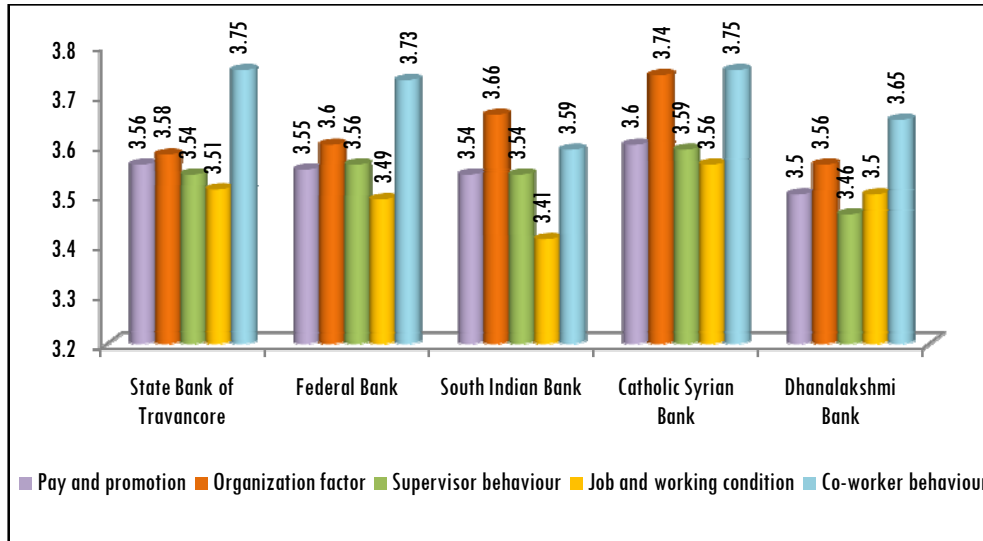
**Table: 6.19** Clerical Staffs' Level of Satisfaction

Satisfaction	State Bank of Travancore			Federal Bank			South Indian Bank			Catholic Syrian Bank			Dhanlaxmi Bank		
	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage	Sum	Mean	Percentage
Pay and promotion	677	3.56	71.21	487	3.55	71.02	329	3.54	70.75	227	3.60	71.90	137	3.50	70.00
Organization factor	680	3.58	71.58	494	3.60	72.04	341	3.66	73.23	236	3.74	74.76	139	3.56	71.28
Supervisor behaviour	672	3.54	70.74	488	3.56	71.24	329	3.54	70.75	226	3.59	71.75	135	3.46	69.23
Job and working condition	667	3.51	70.16	479	3.49	69.85	317	3.41	68.17	224	3.56	71.11	137	3.50	70.00
Co-worker behaviour	713	3.75	75.00	511	3.73	74.53	334	3.59	71.72	237	3.75	75.08	143	3.65	73.08

Source: Primary Data

The above table indicates the clerical level staffs' level of satisfaction towards sample banks considered in the study.

**Exhibit: 6.24 Clerical Staffs' Level of Satisfaction**



### State Bank of Travancore

From the above empirical study, it is inferred that, 75 percent of State Bank of Travancore employees' express high degree of satisfaction towards co-worker behaviour. Followed by, 71.58 percent of respondents' are found to be satisfied with the organizational structure of the State Bank of Travancore. Consequently, 71.21 percent of respondents' believe that the pays and promotions offered by their organization are reliable to them. Similarly, 70.74 percent of employees have said that their officers are very cordial and it makes them to work with easiness. On the other hand, 70.16 percent of clerical staffs have said that they are pleased working environment of their organization.

### Federal Bank

The above table infers that out of 522 subordinate level employees surveyed, 74.53 percent of the Federal Bank employees' opine that their team members are supportive and helpful. Subsequently, 72.04 percent of

respondents are satisfied with the organizational structure of the Federal Bank. Consequently, 71.24 percent of Federal Bank respondents have good hierarchy relationship with their seniors. Similarly, 71.02 percent of Federal Bank employees have agreed that their organisation provides reasonable pay & other benefits to them.

### **South Indian Bank**

It has been inferred that, 73.23 percent of employees' are found to be satisfied with the organization structure of their bank. Similarly, 71.72 percent of respondents have said that their peer group members are very cooperative. Followed by, 70.75 percent of sample subjects express high degree of satisfaction towards pay and promotion benefits and with their supervisor's behaviour. On the other hand, 68.17 percent are pleased with the working environment of the bank.

### **Catholic Syrian Bank**

From the above data above data analysis, it has been observed that, 75.08 percent of respondents' have said that their co-workers are supportive and makes them to work with ease. Followed by, 74.76 percent of the Catholic Syrian Bank employees opine that their organisation factors are determined to fulfill its workers' needs and 71.90 percent of employees have agreed that their organisation provides reasonable pay & other benefits. Consequently, 71.75 percent of subordinate officers have good hierarchy relationship with their seniors. Further, it is observed that 71.11 percent of respondents are found to be satisfied with working environment provided by the organization.

### **Dhanlaxmi Bank**

The above table indicates that 73.08 percent of respondents express high degree of satisfaction towards their team members, as they are supportive in

nature. Similarly, 71.28 percent of employees opine that the organizational framework of the bank is designed in a manner to make its employees' beneficial. Consequently, 70 percent of the employees have said that the working environment, remunerations and other benefits offered by their organization are reliable. On the other hand, 69.23 percent of respondents have stated that their seniors are very polite and are comfortable with them.

#### 6.4. Assessment of Behavioural Competency (Will Mapping Procedure)

This section deals with analysis of behavioural competency of managerial and clerical level staffs. Will mapping procedure is used for this analysis and the variables used for the study are Attendance/Punctuality, Team work, Reaction to criticism, Discipline, Imitative, Responsibility, Quality of Job and Support & Recognise other's achievements.(R.K.Sahu, 2009). This method draws an introspective analysis on the superior and subordinates perception towards each other competencies.

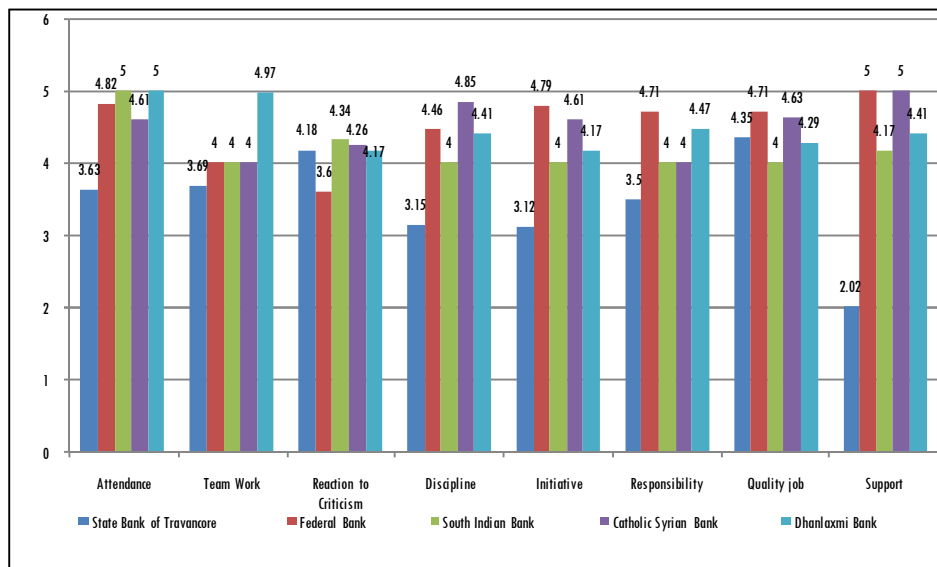
**Table 6.20** Clerical Staffs' Behavioural Competency based on officer's perception

Variables	State Bank of Travancore			Federal Bank			South Indian Bank			Catholic Syrian Bank			Dhanlaxmi Bank		
	Sum	Mean	Efficiency	Sum	Mean	Efficiency	Sum	Mean	Efficiency	Sum	Mean	Efficiency	Sum	Mean	Efficiency
Attendance	472	3.63	72.62	449	4.82	96.56	350	5.00	100	212	4.61	92.17	150	5.00	100
Team Work	480	3.69	73.85	280	4.00	80.00	280	4.00	80.00	184	4.00	80.00	149	4.97	99.33
Reaction to Criticism	165	4.18	83.64	335	3.60	72.04	304	4.34	86.86	270	4.26	85.19	180	4.17	83.32
Discipline	176	3.15	63.07	196	4.46	89.29	280	4.00	80.00	223	4.85	96.96	170	4.41	88.24
Initiative	193	3.12	62.49	192	4.79	95.83	280	4.00	80.00	212	4.61	92.17	180	4.17	83.32
Responsibility	455	3.50	70.00	315	4.71	94.29	280	4.00	80.00	184	4.00	80.00	134	4.47	89.33
Quality job	169	4.35	86.92	225	4.71	94.24	280	4.00	80.00	213	4.63	92.61	175	4.29	85.71
Support	263	2.02	40.46	250	5.00	100	292	4.17	83.43	230	5.00	100	170	4.41	88.24

Source: Primary Data

From table 6.20, it has been observed that out of five sample banks, the clerical staffs of the Federal Bank are highly competent in the categories such as Initiative, Responsibility, Quality job and support from the clerical staffs. South Indian Bank is efficient in maintaining attendance and Catholic Syrian Bank employees’ are very supportive and disciplined.

**Exhibit: 6.25 Clerical Staffs’ Behavioural Competency**



**Table 6.21 Officers’ Behavioural Competency based on Clerical staff’s perception**

Variables	State Bank of Travancore			Federal Bank			South Indian Bank			Catholic Syrian Bank			Dhanlaxmi Bank		
	Sum	Mean	Efficiency	Sum	Mean	Efficiency	Sum	Mean	Efficiency	Sum	Mean	Efficiency	Sum	Mean	Efficiency
Attendance	356	3.28	65.59	196	4.13	82.59	186	3.95	79.03	108	3.33	66.67	104	2.67	53.33
Team Work	588	2.94	58.74	399	2.91	58.25	265	2.85	56.99	185	2.94	58.73	121	3.10	62.05
Reaction to Criticism	492	2.59	51.79	346	2.53	50.51	218	2.34	46.88	162	2.57	51.43	111	2.85	56.92
Discipline	492	3.46	69.10	305	3.87	77.35	218	3.46	69.27	143	3.19	63.85	125	3.21	64.10
Initiative	356	3.74	74.81	243	3.79	75.70	182	3.13	62.50	116	3.58	71.55	106	2.72	54.36
Responsibility	372	3.91	78.23	256	3.95	78.90	186	3.58	71.69	143	3.19	63.85	116	2.97	59.49
Quality job	401	4.11	82.32	279	4.14	82.79	196	3.90	78.06	149	3.53	70.57	98	3.52	70.42
Support	549	2.89	57.79	292	3.70	74.19	175	3.78	75.57	145	3.39	67.81	119	3.05	61.03

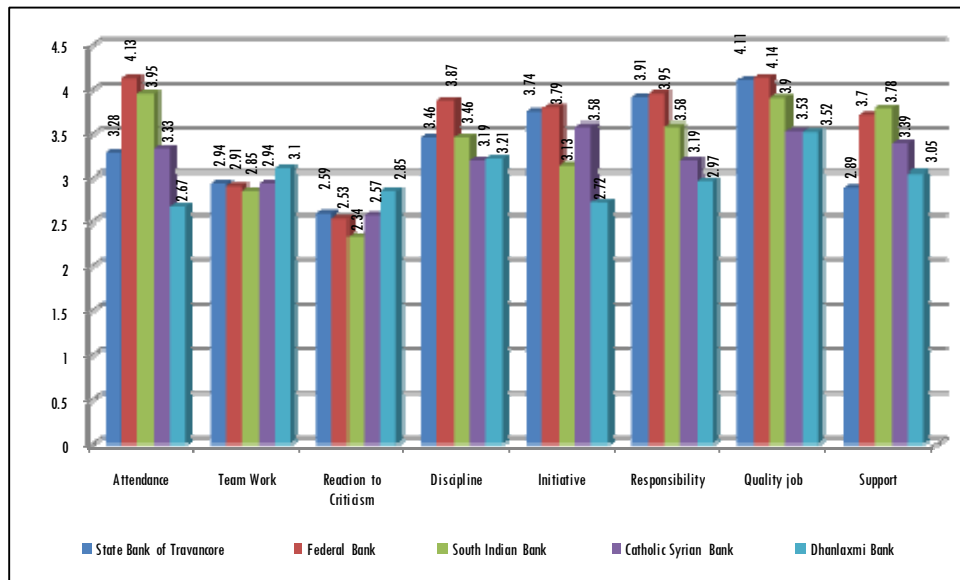
Source: Primary Data



From Table 6.21, it is inferred that the Clerk level staffs’ perception towards their superior’ will parameters. Out of five sample banks surveyed, the officers of the Federal Bank are found to be competent in the variables such as attendance, discipline, initiative, responsibility and quality job.

Based on this analysis, among the selected banks, staffs of Federal Bank are competent than other banks.

**Exhibit: 6.26 Officers’ Behavioural Competency**



### 6.5. Analysis of Skill Mapping Procedure

In this section, the gap between the desired level and actual level competency is analysed. Skill mapping procedure is used to analyse the gap(R.K.Sahu, 2009).There are different 15 functional areas of the banks are taken for the study which are mentioned in the tables 6.22 & 6.23.

**Table: 6.22** Level of Job Skills (Present Level)

Variables	Bank Name														
	State Bank of Travancore			Federal Bank			South Indian Bank			Catholic Syrian Bank			Dhanlaxmi Bank		
	Sum	Mean	Efficiency	Sum	Mean	Efficiency	Sum	Mean	Efficiency	Sum	Mean	Efficiency	Sum	Mean	Efficiency
Marketing Transfer	603	4.98	99.67	431	4.95	99.08	316	4.86	97.23	225	4.88	97.78	139	4.79	95.86
Retail and Loans	605	5.00	100	431	4.95	99.08	316	4.86	97.23	220	5.00	100	141	4.86	97.24
NRI Banking	549	4.54	90.74	379	4.51	90.23	285	4.38	87.69	214	4.41	88.31	115	4.32	86.46
Customer Relationship	517	4.27	85.45	360	4.14	82.76	227	4.26	85.23	187	4.25	85.00	131	4.52	90.34
Commercial purpose	511	4.78	95.51	366	4.95	98.92	261	4.66	93.21	182	4.67	93.33	140	4.82	96.42
Billing	418	4.14	82.77	310	4.25	74.93	200	3.92	78.43	170	4.36	87.18	105	3.89	77.78
Personal Loans	438	4.71	94.19	311	4.71	94.24	209	4.75	95.00	182	4.67	93.33	123	4.92	98.40
Deposits	402	4.65	93.03	253	4.80	96.04	206	4.79	95.81	161	4.35	87.03	126	4.48	89.68
Legal	420	4.77	95.45	299	4.90	98.03	191	4.66	93.17	189	4.73	94.71	119	4.76	95.20
Savings	375	4.31	86.21	259	4.45	89.02	168	4.20	84.00	163	4.41	88.11	132	4.28	85.60
Cash Present	381	4.95	98.96	255	5.00	100	168	4.94	98.82	170	5.00	100	165	4.87	97.05
Advances	359	4.66	93.25	233	4.57	91.37	163	4.79	95.88	156	4.59	91.76	117	4.88	97.50
Credit	339	4.77	95.49	215	4.78	95.56	149	4.66	93.13	152	4.90	98.06	123	4.67	93.49
Loans and Advances	330	4.85	97.06	212	4.93	98.60	137	4.72	94.48	160	4.84	96.87	112	4.87	97.39
Gold Loan	105	3.29	65.79	55	3.91	78.14	40	3.22	64.46	48	3.75	75	25	3.8	76.00

Source: Primary Data

Table: 6.23 Levels of Job Skills (Desired Level)

Variables	Bank Name														
	State Bank of Travancore			Federal Bank			South Indian Bank			Catholic Syrian Bank			Dhanalakshmi Bank		
	Sum	Mean	Efficiency	Sum	Mean	Efficiency	Sum	Mean	Efficiency	Sum	Mean	Efficiency	Sum	Mean	Efficiency
Marketing Transfer	607	4.93	98.70	431	4.95	99.08	319	4.91	98.15	220	5.00	100	145	5.00	100
Retail and Loans	531	4.35	87.05	372	4.33	86.51	275	4.30	85.94	199	4.52	90.45	138	4.76	95.17
NRI Banking	502	4.33	86.55	350	4.22	84.34	269	4.56	91.19	186	4.23	84.55	127	4.54	90.71
Customer Relationship	504	4.71	94.21	364	4.92	98.38	255	4.55	91.07	195	5.00	100	135	5.00	100
Commercial purpose	496	4.86	97.25	362	4.96	99.18	250	4.81	96.15	195	5.00	100	135	5.00	100
Billing	361	3.57	71.49	274	3.75	75.07	170	3.33	66.67	148	3.79	75.90	84	3.11	62.22
Personal Loans	440	4.73	94.62	312	4.73	94.55	209	4.75	95.00	183	4.69	93.85	122	4.8	97.60
Deposits	389	4.32	86.44	263	4.17	83.49	197	4.58	91.63	152	4.11	82.16	117	4.68	93.60
Legal	433	4.92	98.41	302	4.95	99.02	200	4.88	97.56	185	5.00	100	125	5.00	100
Savings	375	4.31	86.21	260	4.33	86.67	167	4.18	83.50	162	4.38	87.57	118	4.72	94.40
Cash Present	362	4.70	94.03	238	4.67	93.33	162	4.76	95.29	160	4.71	94.12	118	4.92	98.33
Advances	342	4.82	96.34	216	4.80	96.00	151	4.72	94.38	152	4.90	98.06	115	5.00	100
Credit	329	4.84	96.76	212	4.93	98.60	137	4.72	94.48	155	5.00	100	113	4.91	98.26
Loans and Advances	135	3.74	74.81	90	4.00	80.00	54	3.7	74.00	80	3.37	67.5	50	3.27	65.46
Gold Loan	20	4.00	80.00	6	4.17	83.30	13	4.33	86.67	7	3.57	71.42	6	4.17	83.30

Source: Primary Data

Table 6.22 infers the level of job skills of the sample banks at present level. Table shows that the present level competency of the employees in Federal bank is higher in the areas such as Commercial purpose (98.92%), Deposits (96.04%), Legal (98.03%), Savings (89.02 %), Cash Present (100), Loans and advances (98.60%) and gold loan (78.14%).

The table 6.23 shows the desired level of employees in the sample banks is expected. The desired competency level of employees of Dhahnalakshmi Bank and Catholic Syrian Bank is 100 percent in the variables Marketing Transfer, Customer Relationship, Commercial Purpose and Legal affairs.

## 6.6. Results of Hypotheses Testing

H1: Demographic and socio-status of the managerial staffs influences their competency level in the selected banks.

**Table: 6.24** Result of Anova  
Demographic and Socio-Status of the Managerial Staffs and their Competency Level

Variables	Source	Sum of Square	DF	Mean square	F	Sig
Gender	Between Groups	.696	1	.696	1.030	.311
	Within Groups	248.025	367	.676		
	Total	248.721	368	-		
Age	Between Groups	3.676	1	3.676	15.303	.000
	Within Groups	88.151	367	.240		
	Total	91.827	368	-		
Educational Qualification	Between Groups	.626	1	.626	1.841	.176
	Within Groups	124.875	367	.340		
	Total	125.501	368	-		
Name of the Bank	Between Groups	.001	1	.001	.000	.983
	Within Groups	613.663	367	1.672		
	Total	613.664	368	-		
Designation	Between Groups	.083	1	.083	.028	.867
	Within Groups	1088.085	367	2.965		
	Total	1088.168	368	-		
Mode of designation	Between Groups	2.909	1	2.909	11.307	.001
	Within Groups	94.414	367	.257		
	Total	97.322	368	-		
Work experience	Between Groups	.934	1	.934	1.828	.177
	Within Groups	187.413	367	.511		
	Total	188.347	368	-		
Monthly income	Between Groups	7.073	1	7.073	6.278	.013
	Within Groups	413.469	367	1.127		
	Total	420.542	368	-		

Level of Significance: 5 percent

From Table 6.24, it is inferred that the probability value (p value) is not statistically significant and the hypothesis framed is accepted in terms of the variables gender, educational level, name of the bank, designation and work experience. The p value is significant and the null hypothesis is rejected in this case in terms of variables age, mode of designation and monthly income.

H2: Demographic and socio status of the clerical staffs influence their competency level in the selected banks.

**TABLE: 6.25** Result of Anova  
Demographic and socio-status of clerical staffs and their competency level

Variables	Source	Sum of Square	DF	Mean square	F	Sig
Gender	Between Groups	.027	1	.027	.020	.889
	Within Groups	709.316	520	1.364		
	Total	709.343	521	-		
Age	Between Groups	.070	1	.070	.278	.598
	Within Groups	129.940	520	.250		
	Total	130.010	521	-		
Educational Qualification	Between Groups	.017	1	.017	.049	.824
	Within Groups	180.389	520	.347		
	Total	180.406	521	-		
Name of the Bank	Between Groups	.226	1	.226	.139	.709
	Within Groups	844.939	520	1.625		
	Total	845.165	521	-		
Designation	Between Groups	.010	1	.010	.002	.963
	Within Groups	2373.149	520	4.564		
	Total	2373.159	521	-		
Mode of designation	Between Groups	.042	1	.042	.168	.682
	Within Groups	130.389	520	.251		
	Total	130.431	521	-		
Work experience	Between Groups	.131	1	.131	.302	.583
	Within Groups	225.494	520	.434		
	Total	225.625	521	-		
Monthly income	Between Groups	4.806	1	4.806	3.599	.058
	Within Groups	694.405	520	1.335		
	Total	699.211	521	-		

Level of Significance: 5 percent

Table 6.25 shows that the probability value of all the variables are not statistically significant. Therefore, the hypothesis is accepted and it is

concluded that the demographic and socio-status of clerical staffs' influences their level of competency.

H3: There exist no difference in managerial staffs and clerical staffs perception about competency evaluation during (a) employee selection, (b) job design, (c) performance appraisal, (d) career development, (e) promotion and pay and (f) relation and participations.

Table 6.26 presents the results of Paired T test on managerial staffs and clerical staffs perception.

**Table 6.26 Paired T Test  
Superior and Subordinate Perception**

Variables	Superior		Sub-ordinate		Mean Difference	R	t value	Sig
	Mean	SD	Mean	SD				
<b>selection</b>								
Employee Selection (Written Test and Personal Interviews)	2.902	.123	2.782	.110	0.120	.230	1.841	.139
Measure of Behavioural Competency at time of Recruitment	2.540	.119	2.472	.053	0.068	.991	2.274	.085
<b>Job Design</b>								
Job specification	3.356	.062	3.402	.019	-0.046	-.492	-1.396	.235
Job according	3.222	.034	3.300	.023	-0.078	-.779	-3.200	.033
Job matching with the actual job	3.168	.157	3.434	.008	-0.266	-.811	-3.614	.022
Job matching with employee educational qualification and experience	3.024	.150	3.028	.052	-0.004	.858	-.082	.939
<b>Performance Appraisal</b>								
Employee competency	3.022	.057	2.572	.072	0.450	.318	13.100	.000
Job analysis regularly	3.036	.077	2.986	.109	0.050	.771	1.589	.187
<b>Career Development</b>								
Proper platform to implement all employee potential in employee job	3.230	.121	3.098	.034	0.132	.864	3.170	.034
The current job helps to increase employee competency level	3.216	.181	2.966	.033	0.250	.471	3.314	.030
<b>Promotion and Pay</b>								
Promotion of the employees based on the competency level	2.788	.057	2.630	.071	0.158	.649	6.376	.003
Behavioral competency as a one component in the performance appraisal system	2.732	.096	2.538	.048	0.194	.821	6.833	.002
Pay structure of the company based on the competency level of the employees	2.432	.153	2.468	.029	-0.036	.023	-.519	.631
<b>Relation and Participations</b>								
Managerial staffs and work environment	2.996	.131	2.642	.085	0.354	.489	6.793	.002
Express the ideas in the decision making process	2.858	.041	2.550	.127	0.308	.378	5.827	.004

Level of Significance: 5 percent

Table 6.26 shows that the probability value ( $p$  value) is not statistically significant in employee selection, job specification, job is matching with educational qualification, job analysis regularly and pay structure. So the null hypothesis is accepted in the cases of these variables. This means there is no perceptual difference between the officers and clerks in the evaluation of behavioural competency. The probability value of 't' is statistically significant in the case of career development, relations and participations and promotion. So the null hypothesis is rejected in these cases.

H4: There exists no gap in managerial staffs and clerical staffs understanding on each other's performance.

Table 6.27 presents the results of paired T test on overall will parameter.

**Table 6.27 Paired T Test**  
Overall Will Parameters

Variables	Managerial staffs	Sub-ordinate	Mean Difference	SD	t value	Sig
	Mean	Mean				
Attendance	4.612	3.472	1.14	0.753	3.389	0.028
Team Work	4.132	2.948	1.184	0.414	6.412	0.003
Reaction to Criticism	4.11	2.576	1.534	0.356	9.664	0.001
Discipline	4.174	3.438	0.736	0.745	2.212	0.091
Initiative	4.138	3.392	0.746	0.794	2.104	0.103
Responsibility	4.136	3.52	0.616	0.695	1.986	0.118
Quality job	4.396	3.84	0.556	0.403	3.090	0.365
Support	4.12	3.362	0.758	1.021	1.663	0.172

Level of Significance: 5 percent

Table 6.27 shows that the probability value of 't' is not significant statistically so the null hypothesis is accepted in the case of discipline, initiative, responsibility, quality job and support. This means that in these

variables, there exists no gap in managerial staffs and clerical staffs understanding on each other's performance. The p value is statistically significant and the null hypothesis is rejected in the case of attendance, team - work and reaction to criticism.

H5: There exists no gap in employees' desired level of competency and the actual level. Table 6.28 presents the results of PAIRED T TEST with respect to the level of job skills.

**TABLE 6.28** Paired T Test  
Level of Job Skills

Variables	Present level	Desired level	Mean Difference	SD	t value	Sig
	Mean	Mean				
Marketing Transfer	4.958	4.892	0.066	0.102	1.448	0.221
Retail and Loans	4.452	4.934	-0.482	0.223	-4.837	0.008
NRI Banking	4.376	4.432	-0.056	0.238	-0.528	0.625
Customer Relationship	4.836	4.288	0.548	0.211	5.828	0.004
Commercial purpose	4.926	4.776	0.15	0.120	2.795	0.049
Billing	3.51	4.112	-0.602	0.105	-12.817	0.000
Personal Loans	4.74	4.752	-0.012	0.061	-0.441	0.683
Deposits	4.372	4.614	-0.242	0.298	-1.820	0.143
Legal	4.95	4.764	0.186	0.088	4.739	0.009
Savings	4.384	4.33	0.054	0.221	0.548	0.613
Cash Present	4.752	4.952	-0.2	0.150	-2.980	0.041
Advances	4.848	4.698	0.15	0.143	2.355	0.078
Credit	4.88	4.756	0.124	0.074	3.769	0.019
Loans and Advances	3.616	4.842	-1.226	0.293	-9.379	0.001
Gold Loan	4.048	3.594	0.454	0.485	2.095	0.104

Level of Significance: 5 percent

Table 6.28 shows that probability value of 't' value is significant at five percent level. The p value is statistically significant in terms of variables Retail and loans, Customer relationship, Commercial purpose, Billing, Cash present, Legal, Credit and Loans and advances. Based on above, null



hypothesis is rejected in the case of these variable i.e. there is a gap in desired level and present level competencies of the employees. The probability value is statistically not significant and so null hypothesis is accepted in the case of variables such as marketing transfer, NRI banking, personal loan, deposits, savings, advances and gold loan. That means in these respective areas, there is no gap in the present level and desired level.

**H6:** Clerical staffs' competency differs from one bank to another.

To examine the suitability of the data for subsequent exploratory factor analysis (EFA), two tests were used: Kaiser-Meyer-Olkin Measure of Sampling Adequacy; and Bartlett's Test of Sphericity. Factor analysis technique has been applied to find the underlying dimension (factors) that exists among the eight variables relating to overall will parameter.

**Table 6.29** KMO and Bartlett's Test Overall Will Parameter

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	.909
Bartlett's Test of Sphericity Approx. Chi-Square	837.433
DF	28
Sig	.000

Level of Significance: 5 percent

In the present study, Kaiser-Meyer-Oklin (KMO) Measure of Sampling Adequacy (MSA) and Bartlett's test of Sphericity were applied to verify the adequacy or appropriateness of data for factor analysis. In this study, the value of KMO for overall matrix was found to be excellent (0.909) and Bartlett's test of Sphericity was highly significant ( $p < 0.05$ ). Bartlett's Sphericity test was effective, as the chi-square value draws significance at five percent level. The results thus indicated that the sample taken was appropriate to proceed with a factor analysis procedure. Besides the Bartlett's Test of Sphericity and the KMO Measure of sampling

Adequacy, Communality values of all variables were also observed. Therefore, the hypothesis framed is accepted and it concluded that clerical staff competency differ from one bank to another.

**Table 6.30** Cumulative Factors Influence of Overall Will Parameter

Variables	Initial	Extraction
Attendance	1.000	.975
Team Work	1.000	.970
Reaction to Criticism	1.000	.967
Discipline	1.000	.915
Initiative	1.000	.832
Responsibility	1.000	.919
Quality job	1.000	.935
Support	1.000	.896

In order to provide a more parsimonious interpretation of the results, Factor analyzed using the Principal Component method with Varimax rotation.

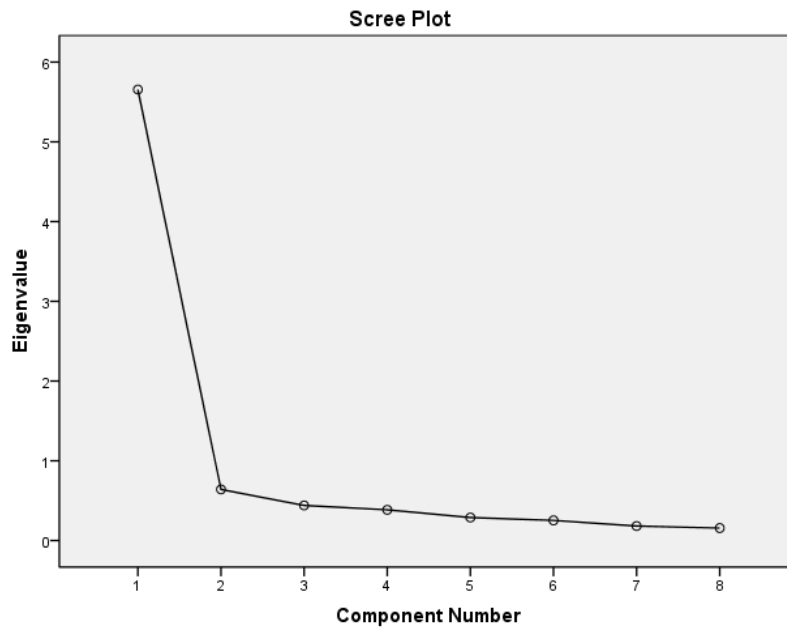
Factor analysis attempts to identify underlying variables, or factors, that explain the pattern of correlations within a set of observed variables. Factor analysis is often used in data reduction to identify a small number of factors that explain most of the variance observed in a much larger number of manifest variables. In the current study Rotation Factor analysis is performed to measure the association between the overall will parameter of the study of the respondents. The significance of variables is highlighted in the following table.

**Table 6.31** Factor Analysis of Association of Overall Will Parameter

Variables	Factors				
	State Bank of Travancore	Federal Bank	South Indian Bank	Catholic Syrian Bank	Dhanlaxmi Bank
X <sub>1</sub> -Attendance	.310	.292	.235	<b>.817</b>	.267
X <sub>2</sub> -Team Work	.349	.246	.328	.320	<b>.760</b>
X <sub>3</sub> -Reaction to Criticism	.289	.291	<b>.822</b>	.229	.265
X <sub>4</sub> -Discipline	<b>.768</b>	.257	.231	.435	.128
X <sub>5</sub> -Initiative	<b>.605</b>	.426	.422	.240	.220
X <sub>6</sub> -Responsibility	<b>.766</b>	.300	.212	.132	.425
X <sub>7</sub> -Quality job	.180	<b>.872</b>	.290	.217	.108
X <sub>8</sub> -Support	.416	<b>.779</b>	.118	.188	.259
<b>Eigen value</b>	<b>5.656</b>	<b>.641</b>	<b>.440</b>	<b>.385</b>	<b>.288</b>
<b>% of Variance</b>	<b>70.70</b>	<b>8.02</b>	<b>5.49</b>	<b>4.81</b>	<b>3.59</b>
<b>Cumulative</b>	<b>70.70</b>	<b>78.72</b>	<b>84.21</b>	<b>89.02</b>	<b>92.62</b>

Level of Significance: 5 percent

Five factors were identified as being maximum percentage variance accounted. The variable X<sub>4</sub>, X<sub>5</sub> and X<sub>6</sub> is grouped as factor I and it accounts for 70.70 percent of the total variance. The variable X<sub>7</sub> and X<sub>8</sub> constitute the factor II and it accounts for 8.05 percent of the total variance. The variable X<sub>3</sub> is grouped as factor III and it accounts for 5.49 percent of the total variance. The variable X<sub>1</sub> is grouped as factor IV and it accounts for 4.81 percent of the total variance. The variable X<sub>2</sub> is grouped as factor V and it accounts for 3.59 percent of the total variance.

**Exhibit 6.27** Overall Will Parameter**Table 6.32** Summary of Rotational Factor Analysis & Cronbach's Alpha Overall Will Parameter

Factors	Factor interpretation	Variables included in the factors	Cronbach's Alpha
F <sub>1</sub>	State Bank of Travancore	Discipline, Initiative and Responsibility	0.944
F <sub>2</sub>	Federal Bank	Quality job and Support	0.881
F <sub>3</sub>	South Indian Bank	Reaction to Criticism	0.766
F <sub>4</sub>	Catholic Syrian Bank	Attendance	0.631
F <sub>5</sub>	Dhanlaxmi Bank	Team Work	0.674

Source: Computed From Primary Data

Cronbach's Alpha values 0.944, 0.881, 0.766, 0.631 and 0.674 presented in Table 6.32 establishes significant and positive association between the variables tested. It establishes internal consistency with respect to data collected at the time of filed survey. The results of the test establish consistency in the opinion of respondents towards the expressed by the sample population overall wills parameter.

H7: Officers' competency differs from one bank to the other.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy; and Bartlett's Test of Sphericity were applied to examine the suitability of the data for subsequent exploratory factor analysis (EFA). Factor analysis technique was applied to find the underlying dimension/s (factors) that exists among the eight variables relating to the overall will parameter. The results of the tests are presented in Table 6.33.

**Table 6.33** KMO and Bartlett's Test Overall Will Parameter

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	.901
Bartlett's Test of Sphericity Approx. Chi-Square	252.150
DF	28
Sig	.000

Level of Significance: 5 percent

Table 6.33 shows that the value of KMO for overall matrix 0.901 is found to be excellent and Bartlett's test of Sphericity  $p < 0.05$  is highly significant. Bartlett's Sphericity test is effective, as the chi-square value is significant at five percent level. The results thus indicate that the sample taken was appropriate to proceed with the factor analysis procedure. Besides the Bartlett's Test of Sphericity and the KMO Measure of sampling adequacy, communality values of all variables are also observed. Therefore, the hypothesis framed is accepted and it is concluded that officers' behavioural competency differ from one bank to the other.

Table 6.34 shows the cumulative factors influence on overall will parameter.

**Table 6.34** Cumulative Factors Influence of Overall Will Parameter

<b>Variables</b>	<b>Initial</b>	<b>Extraction</b>
Attendance	1.000	.938
Team Work	1.000	.936
Reaction to Criticism	1.000	.974
Discipline	1.000	.898
Initiative	1.000	.921
Responsibility	1.000	.989
Quality job	1.000	.969
Support	1.000	.901

In order to provide a more parsimonious interpretation of the results, Factor analyzed using the Principal Component method with Varimax rotation.

Factor analysis attempts to identify underlying variables, or factors, that explain the pattern of correlations within a set of observed variables. Factor analysis is often used in data reduction to identify a small number of factors that explain most of the variance observed in a much larger number of manifest variables. In this study, Rotation Factor Analysis is performed to measure the association between the overall will parameter of the study of the respondents. The significance of variables is highlighted in Table 6.46.

**Table 6.35** Factor Analysis of Association of Overall Will Parameter

Variables	Factors				
	State Bank of Travancore	Federal Bank	South Indian Bank	Catholic Syrian Bank	Dhanlaxmi Bank
X <sub>1</sub> -Attendance	.320	.233	.190	<b>.797</b>	.333
X <sub>2</sub> -Team Work	<b>.809</b>	.202	.180	.400	.220
X <sub>3</sub> -Reaction to Criticism	.209	<b>.919</b>	.207	.196	-
X <sub>4</sub> -Discipline	<b>.697</b>	.253	.359	.341	.321
X <sub>5</sub> -Initiative	<b>.591</b>	<b>.555</b>	.440	.211	.160
X <sub>6</sub> -Responsibility	.303	.303	<b>.841</b>	.205	.237
X <sub>7</sub> -Quality job	.299	-	.228	.399	<b>.814</b>
X <sub>8</sub> -Support	<b>.602</b>	.480	.349	-	.430
<b>Eigen value</b>	<b>5.603</b>	<b>0.853</b>	<b>0.43</b>	<b>0.371</b>	<b>0.271</b>
<b>% of Variance</b>	<b>70.04</b>	<b>10.66</b>	<b>5.37</b>	<b>4.64</b>	<b>3.39</b>
<b>Cumulative</b>	<b>70.04</b>	<b>80.69</b>	<b>86.06</b>	<b>90.70</b>	<b>94.09</b>

Level of Significance: 5 percent

Five factors are identified as being maximum percentage variance accounted. The variable X<sub>2</sub>, X<sub>4</sub>, X<sub>5</sub> and X<sub>8</sub> is grouped as factor I and it accounts for 70.04 percent of the total variance. The variable X<sub>3</sub> and X<sub>5</sub> constitute the factor II and it accounts for 10.66 percent of the total variance. The variable X<sub>6</sub> is factor III and it accounts for 5.37 percent of the total variance. The variable X<sub>1</sub> is factor IV and it accounts for 4.64 percent of the total variance. The variable X<sub>7</sub> is factor V and it accounts for 3.39 percent of the total variance.

**Exhibit 6.28** Overall Will Parameter

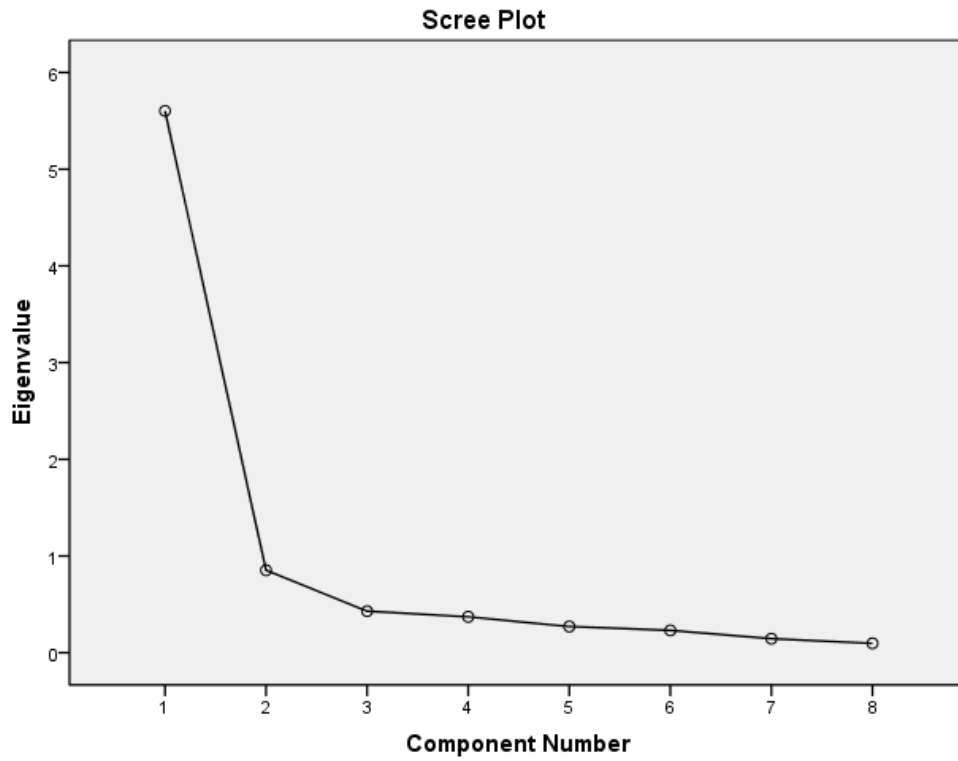


Table 6.36 summarizes the results

**Table 6.36** Summary of Rotational Factor Analysis & Cronbach's Alpha Overall Will Parameter of Overall Will Parameter

Factors	Factor interpretation	Variables included in the factors	Cronbach's Alpha
F <sub>1</sub>	State Bank of Travancore	Team Work, Discipline, Initiative and Support	.939
F <sub>2</sub>	Federal Bank	Reaction to Criticism and Initiative	.842
F <sub>3</sub>	South Indian Bank	Responsibility	.723
F <sub>4</sub>	Catholic Syrian Bank	Attendance	.681
F <sub>5</sub>	Dhanlaxmi Bank	Quality job	.655

Source: Computed From Primary Data



The result of reliability analysis shows that the Cronbach's Alpha values 0.939, 0.842, 0.723, 0.681 and 0.655 establish significant and positive association between or among the variables tested. It establishes internal consistency with data collected at the time of filed survey. The results of the test establish consistency in the opinion of respondents (Officers& clerical staffs) towards overall will parameters.

### **Conclusion**

From the above analysis, it is concluded that the competency of employees differs from one bank to another. The hypothesis proved that demographic and socio-economic factors influence the competency level of the employees. There is some skill gap existing in some functional areas. Based on will and skill mapping, it is concluded that the employees of the Federal bank are more competent.

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**SUMMARY, FINDINGS, SUGGESTIONS AND CONCLUSION**

Contents	7.1 Summary
	7.2 Findings of the Study
	7.3 Conclusion
	7.4 Suggestions
	7.5 Scope for Future Research work

This chapter provides the summary, findings, conclusions and suggestions.

**7.1 Summary**

Finding competent (skilled, experienced, responsible) employees is a challenge for human resource departments in any industry, more so in a service-oriented industry like banking. In a service-oriented industry like banking, the quality of human resources has to be the primary focus. Unless the organizations leverage the strength of their human resource to the maximum, they would fail miserably in attaining a competitive edge in the global banking arena.

Presently the competition is sky high in banking industry. Only tough competitors can survive under these rapid changes. Every bank has a dream to face this situation and emerge as victorious, but it is not as easy as one could imagine. However, a collective struggle, a desire to work altogether for transformation is essential. Bit by bit approach never helps in this cause, this, too, is an occasion to think, plan and set strategies to reach the goal. Banks can achieve their goals through an appropriate policy and practice

regarding training and development of their human resources. Every manager especially HRD executive has an immediate task to instruct, guide and develop the work force, to bring changes in them by resorting to a viable tool of employee or staff training and development. Success of any bank, organization and activities largely depends upon its trained and developed human resource.

The objectives of the study are:

- To study the socio-economic and job profile of the bank officers and clerical staffs in selected banks headquartered in Kerala.
- To analyse how far competency gets importance in the present set-up of the selected banking sector.
- To analyse the employee competency in the selected Commercial banks headquartered in Kerala.
- To measure the behavioural competencies of banking staff based on will parameters.
- To identify the gap between desired and the actual level of employee's competency for effective competency management.

The following hypotheses are formulated for the study:

- Demographic and socio-status of the managerial officers and clerical staff influences their competency level in the selected banks.
- There exists no difference in managerial staffs' and clerical staffs' perception about competency evaluation during: (a) employee selection, (b) job design, (c) performance appraisal, (d) career development, (e) promotion and pay and (f) relation and participations.

- There exists no gap in managerial staffs and clerical staffs' understanding on each other's performance.
- There exists no gap in employees' desired level of competency and the actual level.
- Employees' competency differs from one bank to another.

Based on the data analysis the following conclusions are made.

## **7.2 Findings of the Study**

The major findings of the study are summarized in this sub-section.

I. The socio-economic and job profile of the banking officers and employees in selected sample banks headquartered in Kerala.

The first objective of the study is to draw first-hand information on the socio-economic and job profile of the banking officers in selected sample banks headquartered in Kerala. The findings of this respective objective are as follows:-

- A total of 369 managerial staffs and 522 executive level officers participated in the survey. Out of 369 officers, 53.40 percent of the seniors officers surveyed were male and the remaining 46.60 percent of the respondents were female. Moreover, out of 522 clerical level employees, 53.10 percent were female and the remaining 46.90 percent of the respondents were male.
- Regarding the age factor, 41.20 percent of administrative officers belonged to the age group of 31-35 years, 40.90 percent are aged above 35 years, 13.80 percent, aged between 26-30 years and 4.10 percent, fall under the age group of below 25 years. Regarding

clerical staff, 44.10 percent belong to the age group of above 35 years, 21.60 percent are aged between 26-30 years, 18.00 percent are aged below 25 years and the rests of 16.30 percent of the respondents are age between 31-35 years.

- With respect to educational qualification of the administrative and executive/clerk level officers, among 369 senior officers, 64.00 percent of the respondents are degree holders, 28.70 percent, postgraduates, 5.70 percent, senior officers who have completed SSLC/HSLC and the remaining 1.60 percent has other qualifications. It is also found that, 51.30 percent of executive officers are degree holders, 43.10 percent, postgraduates and 5.60 percent, respondents have completed SSLC/HSLC.
- Of the 369 respondents, 37.10 percent are administrative officers, 32.60 percent, branch managers, 15.40 percent, assistant managers and 7.60 percent, public officers, 2.40 percent, DGM-Legal officials and 2.40 percent credit managers. Moreover, 1.60 percent, working in other sections and the remaining 0.80 percent are employed as business heads. Among the clerical staffs, 28.73 percent, single window operators, 14.60 percent, head cashiers and 22.98 percent, administrative clerks. Of the rest, 3.06 percent, cashier and 30.70 percent, in other positions.
- Majority of the senior officers has entered into the current designation through promotions (53.40 percent), 45.80 percent through direct recruitment and 0.80 percent, through other modes. Similarly, 51.10 percent of the bank executives/clerical employees

entered directly into the current designation, 48.90 percent, through promotions.

- More than 56 percent of the officers have more than 6 years work experience, 30.60 percent, 4-6 years and the remaining 13.30 percent, 3 years or less than 3 years. Out of 522 executive/clerk level officers, 56.70 percent have 4-6 years work experience, 23.00 percent, more than 6 years and the remaining 20.30 percent, less than 3 years.
- More than 31% (31.40%) of the managers earn above Rs.35,000 per month, 27.40 percent, between Rs.30000- Rs.35,000, 25.20 percent, between Rs.25000- Rs.30000, 16.00 percent, between 20000-25000. In the case of the executive/clerk level officers, 42.30 percent , below Rs.10000 per month, 26.10 percent ,between Rs.10000-Rs.15000 and 20.30 percent earn above Rs.20000 and 11.30 percent, between Rs.15000- Rs. 20000.

## II. Importance of Competency in HR practices.

The findings with respect to the second objective are as follows:-

- More than 67% of the officers and clerical level staff in the selected banks have revealed that employee selection is based on their written test and personal interviews performance. Sixty percent of the officers opined that behavioral competency is measured at the time of interview.
- Above 70 percent of the seniors and clerical staff of the selected banks opined that the banks have job specification on each role and all employees have done their job according to the job description. It

was further mentioned that their jobs matched with their educational qualification and experience.

- Above 60% of the clerical officers and above 70% of the managerial level of the selected banks opined that the performance appraisals is used as a tool to evaluate the job efficacy as well as the individual's competency.
- Above 70% of the respondents said that the current job helped to develop their talents and competency.
- Only 65-70% of the higher officials and 60-70% of the clerical staff opined that promotions and pay are based on their competency.
- Above 60% of senior officers and clerical staffs are satisfied with their work environment.
- More than 59% percent of the administrative officers felt that they have managerial competency, 30.40 percent, behavioral competency and 10.30 percent, technical competency. In the case of clerical staffs, 50 percent, managerial competency 25.90 percent, behavioral competency and 24.10 percent, technical competency

III. The third objective of the study is to analyse the employee competency in the selected Commercial banks headquartered in Kerala. Findings with respect to this objective are:

Among the selected banks, State Bank of Travancore has a good growth or performance with respect to business (18.83%), deposits (17.53%) and advances (21.86%) per employee. In case of net profit and investment per employee, Federal bank have the highest growth rate (Net Profit- 12.99%, investments, 11.94%). Based on this, it is

concluded that State Bank of Travancore has the highest growth rate or performance and the employees are more competent than the other banks. The Federal bank stands second in this respect.

IV. The fourth objective is to measure the behavioural competencies of banking staff based on will parameters.

From the data, it is found that out of the five sample banks surveyed, the employees of the Federal bank is highly competent in taking initiative, discipline, responsibility, quality job and support.

V. The fifth objective is to identify the gap between desired and the actual level of employee's competency for effective competency management.

Skill mapping helped to identify the gap between the desired level and actual level of competency of employees in terms of the major operations handled by them such as marketing transfer, retail and loans, NRI banking, customer relation, banking, deposits, savings, loans etc. Employees of the Federal Bank were found to be competent in operations such as Commercial, savings, cash presents, loans and advances, gold loans and Legal affairs.

### **7.2.3 Results of Hypothesis Testing**

The result of ANOVA test leads to the conclusion that the demographic and socio- economic status of officers and clerical staffs significantly influences their level of competency.

The null hypothesis is accepted in the cases of employee selection, job specification, matching of job with educational qualification, regularity of job analysis and pay structure. This means there is no perceptual



difference between the officers and clerks in the evaluation of behavioural competency during HR practices.

The results of Paired t-test indicate that the probability of t- value is significant at five percent level. Therefore, there exists no gap in managerial staffs and clerical staffs understanding on each other's performance with respect to discipline, initiative, responsibility, quality job and support.

The results of Paired t-test indicate that the t- value is significant at five percent. The hypothesis proved that there is a gap in desired level and present level competencies of the employees in terms of variables such as Retail and loans, Customer relationship, Commercial purpose, Billing, Cash present, Legal affairs, Credit and Loans and advances

The results of Rotation Factor Analysis show that employee's competency differ from one bank to another.

### **7.3 Conclusion**

The study was conducted with the objective of analyzing the behavioural competency of the managers and clerical staff in the commercial banks headquartered in Kerala. The researcher has gone through the available literature with respect to employee competency, job satisfaction and employee performance evaluation to formulate the problem and conceptualize the framework of the study. The study concluded that the competency of the employees differs from one bank to the other but strengthening the employees' competency is the only possible solution by which the banks can determine their future growth prospects. Only through competency, banks can achieve high level of performance especially under the globalised situation.

## 7.4 Suggestions

An organization is made up of a number of people who strive to achieve the organization's goals; this concept aptly applies to Scheduled Commercial banks headquartered in Kerala. Human Resources have a significant bearing on the profitability, efficiency and overall organizational effectiveness.

Productivity is a vital indicator of measuring competency or performance. In simple words, it is input - output ratio. It is a relationship between given means used to produce the output. Labour productivity in banking sector determines its employees' competitiveness. From the detailed empirical data analysis, it is understood that the employees' competency is assessed and it differs from one scheduled commercial bank to the other. With the advent of economic reforms in 1991, the deregulation and opening of the Indian economy to the global market, brings opportunities over a vast and unlimited market to business and industry in India, which directly brings added opportunities to the banks and demand effective competency both in term of operational efficiency and employee productivity. With due concerns to the discussed issues, the following suggestions are proposed:

Various categories of Banks headquartered in Kerala are facing lot of competition due to increased globalization, technological enhancement and consumer awareness about their rights. This phenomenon has put the banks to act and revise their service quality. To enhance the competency level of banks and their employees' the following suggestion are proposed.

The empirical findings of the study revealed that competency of officers and clerical staffs differ from one bank to the other. The banks must

initiate to minimize the competency gap among their staff. In this respect, banks must:

- ❖ Develop job description and avoid role conflicts.
- ❖ Educate Senior and junior employees about their roles in the organisation so that the role conflict is minimised.
- ❖ Identify issues affecting individual performances and sort out the issues at the right time, for enhancing employees' competency.
- ❖ Organise regular meetings of seniors and juniors where they can discuss and resolve individual challenges, difficulties faced so that the seniors and junior employees can work together for organisational growth and development.
- ❖ Organise training and development programmes to improve the competency level.
- ❖ Conduct continuous evaluation of competency to keep the level of competency high.
- ❖ Provide good working environment for enhancing their competency level.
- ❖ Implement the concept of matching man and the job in the banks.

### **7.5 Scope for Future Research work**

The present study is confined to the analysis of the competency level of the scheduled commercial banks headquartered in Kerala. There is scope for extending the study to cover all the banks operating in Kerala.



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**QUESTIONNAIRE**

**General Information**

- 1. Name:
- 2. Age:
- 3. Sex:                      Male                       Female
- 4. Qualification:
- 5. Bank Name:
- 6. Designation:
- 7. Mode of entry to the current designation: Direct  Promotion  Any  other
- 8. Experiences in this organization(in Years):
- 9. Salary in CTC(around ):

**Organizational details**

- 10. Are you satisfied with the working environment of the organization? Yes  No   
If Yes/No, specify the reason . . . . .  
.....  
.....  
.....  
.....
- 11. Are you satisfied/fully involved with your current job of the organization Yes  No   
If Yes/No, specify the reason . . . . .  
.....  
.....  
.....  
.....



Annexure 1

12. If yes, please answer the question no. 12 to 20

Qust. no	Questions	Strongly agree	agree	disagree	Strongly disagree
13.	The organization provides a job description & job specification for each role				
14.	Your job according to the job description				
15.	The contents of the job description is matching with the actual job				
16.	The current job is matching with your educational qualification and experience				
17.	Getting job is based on your competency				
18.	The organization conduct job analysis regularly				
19.	It is a proper platform to implement all your potential in your job				
20.	The current job helps to increase your competency level				

Qust.no	Questions	Yes	No
21.	The job rotation is taken place in the organization.		
22.	If no, specify the reason..... ..... ..... .....		
23.	If Yes, please answer qust no. 24&25		
24.	The job rotation helps to improve your competency in various works		
25.	Competency is measured before rotating the jobs		

26. Which type of competency you have?

1. Managerial competency  2. Behavioural competency  3. Technical competency

Qust. no	Questions	Strongly agree	Agree	Disagree	Strongly disagree
27.	The selection procedure is based on the candidate's competency				
28.	The organization analyzes the behavioural competency of the employees during the selection procedure				
29.	The promotion of the employees based on the competency level				
30.	Behavioural competency as a one component in the performance appraisal system				
31.	Pay structure of the company based on the competency level of the employees				
32.	Training programme helps to increase your behavioral competency level				
33.	There is a good relationship between the superiors and the subordinates and between the coworkers				
34.	You are satisfied with the motivation getting from your superiors and work environment				
35.	Get an opportunity to express your ideas in the decision- making process				

**WILL MAPPING QUESTIONNAIRE**

<b>Will Parameters</b>		<b>Rating</b>	<b>Score</b>
<b>1</b>	<b>Punctuality/Attendance (Weight=5%)</b>		
<b>A</b>	<b>Less than 80%</b>	<b>0</b>	
<b>B</b>	<b>80% to 84%</b>	<b>1</b>	
<b>C</b>	<b>85% to 90%</b>	<b>2</b>	
<b>D</b>	<b>91% to 95%</b>	<b>3</b>	
<b>E</b>	<b>96% to 98%</b>	<b>4</b>	
<b>F</b>	<b>99% to 100%</b>	<b>5</b>	
<b>2</b>	<b>Team Work (weight = 10%)</b>		
<b>A</b>	<b>Not cooperative, causes discord among colleagues</b>	<b>1</b>	
<b>B</b>	<b>Sometimes indifferent, not always cooperative</b>	<b>2</b>	
<b>C</b>	<b>Does his own job, does not interfere</b>	<b>4</b>	
<b>D</b>	<b>Gets along adequately with others</b>	<b>6</b>	
<b>E</b>	<b>Always cooperative and have good relations with others</b>	<b>8</b>	
<b>F</b>	<b>Very cooperative and helps others in trouble</b>	<b>10</b>	
<b>3</b>	<b>Reaction to criticism (Weight=10%)</b>		
<b>A</b>	<b>Never admits faults, makes no effort to improve</b>	<b>0</b>	
<b>B</b>	<b>Tries to justify faults and blames others</b>	<b>2</b>	
<b>C</b>	<b>Admits faults but does not try to improve</b>	<b>4</b>	
<b>D</b>	<b>Argues but makes efforts to improve</b>	<b>6</b>	
<b>E</b>	<b>Admits faults and never repeats mistakes</b>	<b>8</b>	
<b>F</b>	<b>Accepts criticism well and makes concerted effort to improve</b>	<b>10</b>	

## Annexure 2

<b>4 Discipline (weight=20%)</b>			
A	Careless, bad in manners/etiquette and disobedient	0	
B	Fair manners, sometimes impolite and disobedient	5	
C	Good manners, polite but at times disobedient	8	
D	Aware of rules and regulations and tries to abide	13	
E	Never break rules, polite and disciplined	18	
F	very well-behaved, polite and disciplined and role model	20	
<b>5 Initiative (Weight=20%)</b>			
A	No interest in work at all or improvements	0	
B	Not interested in hard work, satisfied with what he does	5	
C	Satisfactory interest. Takes extra work, when requested	8	
D	Good interest in work, asks for exposure and training	13	
E	Good interest in work, actively participate in improvement, gives suggestions	18	
F	Enthusiastic, always seeks more responsibility, gives lot of suggestions, always a self starter	20	
<b>6 Responsibility (Weight=10%)</b>			
A	Totally irresponsible, not dependable	1	
B	Clock watcher, makes frequent mistakes	2	
C	Average, makes occasional mistakes	4	
D	Good, occasionally double checks his work	6	
E	Always double checks, reliable	8	
F	Highly responsible, dependable, cost conscious	10	
<b>7 Quality job (Weight=15%)</b>			
A	Slipshod and haphazard worker	0	
B	Careless but is trying to improve	3	
C	Adequate but need guidance to improve	5	
D	Systematic and organised , needs few corrections	8	
E	Good in his job, errors in his work very rare	12	
F	Excellent worker, imaginative and almost zero defect work	15	

Will Mapping Questionnaire, Evaluation of Worker's Parameters

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<b>8 Support &amp; Recognise other's achievements/contributions (Weight=10%)</b>		
A	Always criticise and unrecognise other's hard work and achievements	0
B	Not always, but occasionally criticise and unrecognise	3
C	occasionally support & recognise the development of others	4
D	Not Support but recognize the efforts for the development of others	6
E	Support the efforts for the development of others but not recognise	8
F	Always Support, Recognise and congratulate others effort/achievements	10

## SKILL MAPPING PROCEDURE SKILL ASSESSMENT

### STANDARD LEVEL OF JOB SKILLS AND THEIR RATING

SI. No	Levels of job skills	Rating					
1	Doesn't Know	0					
2	Has basic knowledge but cannot do	1					
3	Can perform to a certain extent	2					
4	Has knowledge and can do independently	3					
5	Can do independently and can teach others also	4					
Name:							
Grade:		Employee Designation:					
Name of Bank							
SI. NO	Job Skill Area	Level	Rating Scale				
			0	1	2	3	4
1.	Marketing Transfer	Present Level					
		Desired Level					
2.	Retail and Loans	Present Level					
		Desired Level					
3.	NRI Banking	Present Level					
		Desired Level					
4.	Customer Relationship	Present Level					
		Desired Level					
5.	Commercial purpose	Present Level					
		Desired Level					
6.	Billing	Present Level					
		Desired Level					
7.	Personal Loans	Present Level					
		Desired Level					
8.	Deposits	Present Level					
		Desired Level					
9.	Legal	Present Level					
		Desired Level					
10.	Savings	Present Level					
		Desired Level					

Annexure 3

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11.	Cash Present	Present Level							
		Desired Level							
12.	Advances	Present Level							
		Desired Level							
13.	Credit	Present Level							
		Desired Level							
14.	Loans and Advances	Present Level							
		Desired Level							
15.	Gold Loan	Present Level							
		Desired Level							

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