Research Paper Commerce

Hrd Practices in Karnataka State Financial Corporation

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ABSTRACT

Finance is an universal lubricant that facilitates the operation of the organization and which keeps the organization dynamic, develops the products, keeps the man and machine at work, encourages the management to make progress and creates values. In order to management the finance in the achievement of the organizational objectives, one of the importance resource is required to be considered that is Human resource. Human resource plays importance role in effective utilization of other resources in the organization. So it is necessary to motivated, acquire, develop and mould various aspects of human resource, which contributes to the organizational, group, individual and social goals. The present study highlights the importance and essence of HRD practice in Karnataka State Financial Corporation to manage environmental variables, assessing the extent of HRD prevailing and its influence on the level of satisfaction and performance of employees in the organisation. For the current study focuses exclusively on the HRD practice in KSFC, a total of 300 employees from KSFC of which, three classes of employees were selected randomly, the study covers mainly the dimensions of HRD like the training and development performance appraisal, HRD mechanisms.

KEYWORDS Training and Development, Performance Appraisal, HRD.

INTRODUCTION

The Human Resources Development (HRD) practices consist of all those activities, which are directly related to the Attracting, Retaining and Developing of Human Resources in any organization. This fact makes it imperative that the practices are well suited for developing the Human Resources in every aspect. Another major factor in the present study is that the output as far as Financial Services sector is concerned, is dependent almost wholly on the human factor. Thus the raw material and the finished goods in the form of client services are all human resources [HR] oriented.

HRD is one of the integral parts of HRM. Based on the belief that an investment in the Human beings is necessary and will inevitably bring in substantial benefits to the organization in the long run. It aims at overall development of Human resources in order to contribute to the well-being of the employees, organization and society at large.

Among the Indian Authors, T.Venkateswara Rao worked extensively on HRD. He defined HRD in the organizational context as "a process by which the employees of an organization are helped in a continuous, planned way to:

i. Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles;
ii. Develop their general capabilities as individual and discover and exploit their own inner potentials for their own and/or organizational development purposes;
iii. Develop an organizational culture in which superior- subordinate relationship, team work and collaboration among sub-units are strong and contribute to the professional well-being, motivation and pride of employees. "

In short HRD aims at helping the people to acquire competencies required to perform various functions effectively for exploit their own inner potentials for their own and make their organization do well at every level in the path of success.

PREVIEW OF EARLIER LITERATURE:

In every study a good literature review does not only provide knowledge about what has been done in the research area but also strengths and weaknesses upon which one can also build an insightful and purposeful study.

A lot of work is done on HRD in general and in particularly in financial sector, following are some pertinent works.

T.V. Rao, in his book on "The HRD Machinery" explained HRD instruments, processes and outcomes, HRD Departments and their tasks, structuring the HRD function, qualities, and competence requirement of HRD managers, developing HRD managers, traps and temptations of HRD mangers and HRD instruments".

Khandelwal A. K. (1988) in his edited work titled "HRD in Banks" presents a clear view of the HRD practices and experiences in the banking industry. Khandelwal argues that despite several mechanical aids and gadgets available as facilitators for quick and efficient service, banking has remained an essentially people's business i.e. managed by people. There lies a need for well integrated HRD policy in banks.

Alphonsa V.K. (2000) has published his study conducted in a large private hospital in Hyderabad under the title "HRD Climate in a Private Hospital in Hyderabad An Empirical Study" This study has attempted to analyze HRD climate, as perceived by the supervisors, and suggest that top management of the hospital may further advance the hospital policy in enhancing the physical, mental and emotional capabilities of the individuals, in order to create and maintain a productive HRD climate.

Ramesh B Agadi, Paramashivaiah and Arvind Kulkarni, 2002. Published a paper in "HRD for women employees in Banking sector". Study paper reveals that unless banks cultivate a development concern for their women employees and act now, they will have problems, which will worse with time as more women enter banks.

Bhaskar Nambiar (2006) in his Doctoral research study on the topic "An Evaluation of HRD Practices in the Financial Services

Sector of India". This study attempted to analyze HRD prevailing in financial service sectors mainly on the mechanisms like Recruitment & Selection Training And Development (T&D) Performance Management.

Monika Kulshreshtha (2010) in her doctoral research on the topic "HRD Intervention in Indian Banking Sector and their implication on employees managerial effectiveness, a study of selected public and private sector banks". This study focuses on HRD sub-systems like Performance Appraisal, Role Development, Performance Counseling, Training and Development, Potential Appraisal, Career Planning & Development.

Purohit (2012) studied the existing policies practiced in co-operative banks to appraise the level of HRD practices, to assess the satisfaction level of employees about HRD practices particularly Training and development & Reward and recognition of employees. In the present study structured questionnaire via in-depth personal interviews is used to collect primary data.

Objective of the Study: -

- To study the HRD practice in KSFC as per the opinions of the personnel & to identify the areas of improvement in existing HRD system in the corporation.
- To study the tools, techniques and methods adopted for providing training and for the performance appraisal of the employees in KSFC.

Human Resource Development Practices in KSFC:

The Karnataka State Financial Corporation [KSFC] was established in the year 1959 under the state financial corporation Act 1951 for promoting industrial Entrepreneurship in the state of Karnataka.

The KSFC is one among leading state financial corporation in the country.

KSFC is playing major role in state of Karnataka in the Promotion of Enterprises and Employment generation for economic development. KSFC has promoted many enterprises and helped newly emerging entrepreneurs to develop their plan towards their objectives and implement it, which also helps in economic growth of the country and it also provides employment opportunities to many people. It also gives suggestions to the enterprises which have taken financial assistance from KSFC at the initial stage and it also provides working capital loan to the enterprises.

Training and development: -

"Training is systematic development of the knowledge, skills and attitudes required by an individual to perform adequately a given task or job".

According to the Edwin B Flippo, "Training is the act of increasing knowledge and skills of an employee for doing a particular job."

With drastic growth of financial institutions, it calls for efficient and well trained staff members to handle/deal with the consumer needs. Financial institutions are shaping up as financial hub for their clients to grow in size and well recognized in the world market.

KSFC is giving due importance for imparting training and development programs to its staff members to upgrade and enhance their knowledge, skills and attitude. Hence identifying the training needs of employees and based on their designated role and individual skill/capacities, KSFC deputes the employees to provide different external training programs and also provides some In-House Training to its employees.

Performance Appraisal: -

A performance appraisal is a systematic and periodic process that assesses an individual employee's job performance and productivity in relation to certain pre-established criteria and organizational objectives. A central reason for the utilization of performance appraisals (PAs) is performance improvement.

KSFC appraises the performance of its employees periodically by adopting Performance Appraisal Method to identify performance of the employees in order to provide award, reward, motivate and to improve the performance of employees. KSFC's primary reasons for implementing performance appraisal system in the corporation are to compensation, performance improvement, feedback, documentation, promotion, training, transfer, arge, lay-off, personnel-research, and manpower planning.

RESEARCH METHODOLOGY:

The study is an explanatory and analytical one, based on primary and secondary data with the sampling method the research data has been collected. The primary data will be collected from HRD managers and qualified trainers, personnel managers and employees of the KSFC's along with this an in-depth discussion/interviews will be held with employees in their respective Branches. The secondary data will be collected from company database, books, magazines, journals, newspapers, library sources, internet, SFC's act, and Annual reports of KSFC. The data will also be extracted from the branch officers of the concerned branches of KSFC.

Appropriate research tools will be applied for analyzing the research data. For studying the HRD prevailing in the KSFC, to perceive from employees of KSFC, the questionnaire was developed by using 5 points Likert scale to measure the respondents' perception like training performance appraisal, career advancement, incentives HRD climate prevailing in the organization.

Sample Size: For studying HRD in KSFC with reference to Karnataka state, a sample of 300 employees' i.e. Class A, B & C were chosen randomly on the basis of stratified random sampling as shown in Table.1.

Table-1: Database of Respondents of KSFC Karnataka.

Gender	Classification of Employees			Total
	Class A	Class B	Class C	
Female	26	30	1	57
% of F	15	30	3	19
Male	145	70	28	243
% of M	85	70	97	81
Total	171	100	29	300
%	100	100	100	100

[Source: Field Investigation]

Analysis and Discussion: -

The analysis is done based on the responses of the sampled employees working in Karnataka State Financial Corporation on the basis of Questionnaire supplied to them with regard to Training and Development and Performance Appraisal prevailing in the KSFC. The study covers a period of five years starting from 2009 to 2014.

While considering the **Training** given to employees of KSFC during 2009 to 2014, out of the total employees, only 10% of the employees are given training every year; this shows that there is lower value of training & development which implies that there is much need to improve the training patterns for better performance of the corporation.

Performances Appraisal of the employees of KSFC is also at the lower value which implies that the appraisal system is not so helpful to employees towards accomplishing the organizational goals through self-review and personal analysis.

Findings & Recommendations: -

Since the Training & Development and Performance Appraisal shows lower value, the employees of KSFC has to be given more importance to the training and development programs in order utilize their available potentials, to improve the organizational performance, the corporation has to conduct periodical and continuous training & development programs in order to increase the employees efficiency and effectiveness, increase the level of performance, level of motivation, create positive attitude, working potentials, upgrade the knowledge and also improve inter-personal relation between the employees and towards accomplishing the organizational goals.

Performance Appraisal should be used as a motivational tool of the employees and it should be designed in such a way that, to identify the qualities, deficiencies and to motivate the employees to improve the level of performance which will help to reap the benefits of Performance Appraisal to the maximum by increasing their satisfaction with it, performance review discussions are to be taken seriously and thereby increasing their productivity towards accomplishing the organizational goals.

Ending Remarks: -

KSFC is a financial super market. It is playing a pioneer role in the development of micro and small scale enterprises in the state of Karnataka. KSFCs extend financial assistance to industrial units by way of terms loans in the form of long-term loans, short-term loans, direct subscription to equity/ debentures, guarantees and discounting of bills of exchange. KSFCs operates a number of schemes of refinance and equity type of assistance formulated by IDBI/SIDBI which include schemes for artisans, special target groups like SC/ST, women, ex-servicemen, physically handicapped etc and for transport operators, setting up hotels, tourism-related activities, hospitals and nursing homes etc. KSFC needs to focus more on the development of micro and small scale enterprises in the state of Karnataka in the development of the economy of the country. Thus, the overall HRD climate in the corporation has to be improved so that the corporation can achieve its preset goals and objects in order to beat the global competition and to meet the challenges of the quality, cost, and excellence of performance of the corporation.

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