

Human Resource Development Climate in Nepalese Public Sector Banks

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Abstract—The effective performance of human resource depends on the type of HRD climate that prevails in the organization, if it is good than the employee's performance will be high but if it is average or poor then the performance will be low. The study of HRD climate is very important for all the organization and the banking sector is not an exception, especially in the present situation of financial recession in Nepalese context. The present study is an attempt to find out the type of HRD climate that is prevailing in public sector banks in Nepal. The researcher has also tried to find out the difference in the perception of employees regarding HRD climate on the basis of age, gender, designation, qualification. The researcher collected the data from the employees of selected public sector banks using structured HRD climate questionnaire. The data were analyzed using several statistical tools such as mean, standard deviation, percentiles, Z test. The result shown that the HRD climate in public sector banks is average and the perception of employees regarding the HRD climate do not differs significantly on the basis of gender, qualification and designation but it differs significantly on the basis of age. The paper ends by offering useful suggestions to the management involved in the operations of the Nepalese public banks.

Keywords: HRD, Public Sector Banks, Performance

1. INTRODUCTION

Human resource development (HRD) is concerned with the provision of learning and development opportunities that support the achievement of business strategies and improvement of organizational, team and individual performance (Armstrong and Baron, 2002). Climate, this is an overall feeling that is conveyed by the physical layout, the way employees interact and the way members of the organization conduct themselves with outsiders. HRD Climate is an integral part of organizational climate. It is the perception the employee can have on the development environment of an organization. Rao & Abraham (1986) emphasized that the developmental climate will have the following characteristics: A tendency at all levels starting from the top management to the lowest level to treat the people as the most important resources; faith in capability of employees to change and acquire new competencies at any stage of life; a tendency to be open in communication and discussion rather than being

secretive ; encouraging risk taking and experimentation; making efforts to help employees recognize their strengths and weaknesses through feedback ; a general climate of trust; team spirit; tendency to discourage stereotypes and favoritism; supportive personnel policies and supportive HRD practices include performance appraisal, reward management, potential development, job rotation and career planning.

Many researchers have been conducted on HRD climate. The result has shown that HRD climate affects the performance of the employees. Banu (2007) conducted study in public sector Cement Corporation in India and found that sound HRD Climate is necessary for the success of the public sector undertakings. Srimannarayana (2007) conducted a study in local bank of Dubai and found that a good HRD climate was prevalent in the organization. He found out the differences in the perception of employees regarding the HRD climate on the basis of demographic variables. Mufeed & Gurkoo, (2006) attempted to study whole gamut of HRD climate in universities and other equivalent higher level academic institutions by eliciting employee perceptions on HRD climate for which the University of Kashmir, Srinagar is selected as the main focal point of study. Kalpana, (2005) conducted a study and found that to a large extent organizations where knowledge workers work, enjoy a 'good' HRD Climate. The strengths of the HRD Climate emerges from the organization's belief that the human factor is a critical factor and need commitment to development, team spirit, helpfulness and providing training on skills and knowledge. The result indicated the presence of psychological climate conducive for development. Venkateswaran, (2002) made a study in a public sector undertaking in India and found that, to a large extent, a favorable HRD Climate was prevalent in the organization. Bhardwaj & Mishra, (2002) examined the HRD climate in private sector organization. The result showed the existence of good HRD climate in the organization. The managers were satisfied with the HRD policies and practices of the organization. Alphonsa, (2000) conducted a survey to examine the HRD climate of private hospital. The responses were collected from different departments in the hospital. The

researcher found that the perception of the supervisors about the HRD climate is satisfactory and reasonably good climate was prevailing in the hospital. Sharma and Purang (2000) conducted a study to find out the relationship between value institutionalization and HRD climate in engineering and manufacturing sector and found the positive relationship between the two variables.

The study intends to identify the type of HRD climate prevailing and analyze the differences in the perceptions of employees on the basis of gender, age, designation and qualifications in some selected public sector banks in Nepal.

2. RESEARCH METHODOLOGY

For the purpose of the study, the researcher selected the banks on the basis of judgmental sampling and respondents on the basis of non probability random sampling. The researcher personally contacted 150 employees in three public banks i.e. Rastraya Banijaya Bank, Nepal Bank Limited and Agricultural Development Bank in Nepal during January and February 2015. They were appraised about the purpose of the study and request was made to them to fill up the questionnaire with correct and unbiased information. The researcher was able to collect the 98 filled questionnaires with response rate of 65.33 %. Finally 90 filled in questionnaire were selected for this study after rejecting 17 questionnaires for various reasons like errors, incompleteness and inadequate information.

Tab.1.1 Gender Wise Distribution of Employees

Gender	Employees	
	N	Percent
Male	54	60.00
Female	36	40.00
Total	90	100

Tab.1.2 Age wise distribution of Employees

Age (Years)	Employees	
	N	Percent
Above 35	52	57.78
Below 35	38	42.22
Total	90	100

Table 3: Designation Wise Distribution of Employees

	Employees	
	N	Percent
Executive	51	56.67
Non Executive	39	43.33
Total	90	100

Tab. 1.4 Qualification Wise Distributions of Employees

Educational Qualification	Employees	
	N	Percent
Graduate	50	55.56
Post Graduate	40	44.44
Total	90	100

The scale consists of 38 items each having five alternatives such strongly agree, agree, undecided, disagree, strongly disagree. The mean score of each item could theoretically range from 1.0 to 5.0 where 1.0 indicates extremely poor HRD climate and 5.0 indicates extraordinarily good HRD climate on that dimension. These scores are almost never obtained by any organization. Scores around 3.0 indicate an 'average' HRD climate on that dimension giving substantial scope for improvement. Scores around 2.0 indicate poor HRD climate on that dimension. Scores around 4.0 indicates a good HRD climate where most employees have positive attitudes to the HRD policies and practices on that dimension and thereby to the organization itself.

Table 1: Descriptive Statistics

Bank	Mean Scores	Percentage Scores
All the three banks	3.08	52.22 %

Table 2.1 provides an idea about the HRD Climate prevailing in the selected public sector banks of Nepal. The mean (3.08) and 52.22 % score indicate that the HRD Climate in selected public sector banks is average and there is a tremendous scope of improvement in the HRD climate.

H₁: The difference is not significant between the perception of male and female employees.

Table 2: Perceptual Differences between Male and Female Employees

Particulars	Sample Size	Mean	Variance	SD	SE	Z-Value	LS
Male Employee	54	125.28	165.89	12.88	2.54	-0.40	0.05
Female Employees	36	126.22	84.09	9.17			

The calculated Z value (- 0.40) falls under the acceptance region (-1.96 to +1.96) at 0.05 significance level, therefore we accept the null hypothesis that the difference is not significant between the perception of Male and Female employees regarding the HRD Climate in Public banks.

H₂: The difference is not significant between the perception of Elder and Younger employees.

Table 3: Perceptual Differences between Elder and Younger Employees

Particulars	Sample size	Mean	Variance	SD	SE	Z value	LS
Elder	52	122.90	83.89	9.15	2.46	-2.28	0.05
Younger	38	128.52	85.66	13.62			

The calculated Z value (- 2.28) falls outside the acceptance region (-1.96 to +1.96) at 0.05 significance level, therefore we reject the null hypothesis and conclude that the difference is significant between the perception of Elder and Younger employees regarding the HRD climate. If we look at the means of the Elder and younger employees, it is clear that the younger employees have favorable attitude towards HRD climate as compared to elder employees. It might be because of the fact that in the present financial crisis, the younger employees have fear in their mind of losing the job and they feel satisfied with whatever they have but if we talk about the senior employees, they are well settled in their job and they feel dissatisfied with the HR policies and practices of the organization over the passage of time.

Hypothesis 3 : The difference is not significant between the perception of Executive and Non Executive employees.

Tab.2.3 Perceptual differences between Executive and Non Executive Employees

Particulars	Sample size	Mean	Variance	SD	SE	Z value	LS
Executives	51	124.86	77.08	8.78	2.60	-0.71	0.05
Non Executives	39	126.71	205.26	14.33			

The calculated Z value (- 0.71) falls under the acceptance region (-1.96 to +1.96) at 0.05 significance level ,therefore we accept the null hypothesis that the difference is not significant between the perception of Executive and Non Executive employees regarding the HRD Climate in Nepalese Public banks.

Hypothesis 4: The difference is not significant between the perception of graduate and post graduate employees.

Tab.2.3.Perceptual differences between Graduate and Post Graduate Employees

Particulars	Sample size	Mean	Variance	SD	SE	Z value	LS
Graduate Emp.	50	125.16	111.19	10.54	2.49	-0.45	0.05
Postgraduate Emp.	40	126.3	159.90	12.64			

The calculated Z value (- 0.45) falls under the acceptance region (-1.96 to +1.96) at 0.05 significance level ,therefore we accept the null hypothesis that the difference is not significant between the perception of Graduates and Post Graduates employees regarding the HRD Climate in Public banks.

3. CONCLUSION

HRD climate plays a very important role in the success of any organization because directly or indirectly it affects the performance of the employees. If the HRD climate is good, the employees will contribute their maximum for the achievement of the organizational objectives. The result of the present study shown that the HRD climate in the public sector bank in Nepal is average and there is lot of scope for improvement in the HRD climate. The result also show that there is no difference in the perception of the employees on the basis of gender, qualification, designation but the perception of the employees differs on the basis of age. The management can improve the HRD climate by changing HR policies and practices in Nepalese banks.

4. IMPLICATIONS OF RESEARCH

To improve the HRD climate in the public sector banks in Nepal, the following steps should be taken immediately: Necessary changes should be introduced in HR policies and practices. The management should take necessary action to bridge the communication gap with employees and try to develop the trust among the employees. Clear communication process will help to establish the HRD Climate. The employees should be encouraged to express their feelings without any fear. Feedback should be taken at fixed intervals to know the drawbacks in the system. HR policies of the organization should be such that which encourages the employees to contribute their best. Proper authority should be given to employees so that they can take the decision at the right time. Management should discourage the stereotypes and favoritism. They should treat with all employees on equitable basis. Team Spirit should be encouraged among the employees.

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