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HRD - Banks in the ICT Era a Focus on Private sector Banks

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Abstract

The banking sector in India plays a vital role in the economic growth of the country. Hence, the performance of banks has got a decisive role in controlling the pace of economic development of the whole nation. Performance of banks, in turn, depends on the performance of their human resources (HR) – the most sensitive and most valuable among all resources of an organization. Effective management of HR along with proper adoption and utilization of technological advances particularly those in the field of Information and Communication Technology, (ICT) has become an imperative for banks for their survival and growth. Likewise, thrust on the promotion of bank products particularly using modern philosophies like e-CRM side by side with provision of excellent quality customer service is another imperative. At the centre of all these lies Human Resources (HR); because a well-trained and techno-savvy workforce alone can provide customer service matching with the expectations of today's discerning customers. As India's banking sector is passing through a highly turbulent world characterized by VUCA (Volatility, Uncertainty, Complexity, Ambiguity), this paper seeks to study the relative performance of the Old generation Private sector Banks (OPBs) based in Kerala with a focus on their HR productivity and allied HR-related performance parameters.

Keywords : Old Private sector Banks (OPBs), ICT, CRM, HRM, Employee Productivity.

I. Introduction

In any country, its banking sector plays a vital role in the economic growth of the country and India is no exception. So, the performance of banks has a decisive role in controlling the pace of economic development of the whole nation[X]. Performance of banks, in turn, depends on the performance of their human resources (HR) – the most dynamic and most sensitive among all resources of an organization. Effective management of HR along with proper adoption and utilization of technological advances particularly those in the field of Information and Communication Technology, (ICT) has become an imperative for banks for their survival and growth. Because of the rapid proliferation of ICT in all facets of banking, the traditional models like Customer Relationship Management (CRM) have already given way to its ICT variant viz. Electronic Customer Relationship Management (e-CRM). Hence, thrust on the promotion of bank products using modern philosophies like e-CRM and providing excellent customer service is another imperative. In fact, HR is the underlying factor deciding the ultimate success. Well trained and techno-savvy employees who can provide services that are matching with the needs of today's discerning customers is vital for the success of banks in today's banking sector in India that is characterized by VUCA (Volatility, Uncertainty, Complexity, Ambiguity).Growing need for ICT-based products and services gives another dimension to this complexity [XII].

II. Background Study

The impact of VUCA (Volatility, Uncertainty, Complexity, Ambiguity) can be felt in every sectors of the economy, the whole economy has reaped benefits as well as are faced with new challenges. The Indian economy at present faces a situation where there is less domestic demand and low export demand. On the positive side, the plummeting of crude oil prices has helped the country quite substantially to improve its CAD (Current Account Deficit) levels. Moreover, the impact that global events have on the Indian economy is unprecedented, and this fact is evident from the performance of the stock market in the recent months. The effects of VUCA on the economy as a whole and the banking sector in particular needs further study, the banking sector beinga vital growth driver for an economy like India. The landscape of Indian banking sector has undergone a radical change with the implementation of banking sector reforms in 1992. In the ongoing 'reforms era', though the hegemony of Public Sector Banks (PSBs) still continues, the PSBs are fast losing their market share to the new players in the field viz. New generation Private Banks (NPBs) i.e. banks which started functioning in the reforms era. Apart from PSBs, another group of 'traditional' type banks viz. Old Private sector Banks (OPBs) too face the same problems like the PSBs. OPBs too are either losing their share to NPBs or are facing stagnancy in their growth. Besides, the influx of ICT into all areas of banking and the intense competition from NPBs (who in turn utilize the immense potential of ICT for providing enhanced customer service as well as better operational efficiency) have adversely affected the plight of PSBs and OPBs. In this ICT era, the future of banks depends on their Human Resources (HR), particularly their techno-savvy nature and soft skills, because their productivity and efficiency decide the operational efficiency and competitiveness of banks. In fact, many OPBs have already succumbed to the pressures of competition and vanished because of consolidations like mergers and acquisitions. In the Kerala context, only four Kerala-based OPBs (or, KOPBs) remain now, as two KOPBs could not withstand the competitive pressures in the reforms era viz. (i) Nedungadi Bank (taken over by Punjab National Bank in 2003) and (ii) Lord Krishna Bank (acquired by Centurion Bank of Punjab in 2007). The remaining four KOPBs are (i) Federal Bank, (ii) South Indian Bank, (iii) Catholic Syrian Bank, and (iv) Dhanalakshmi Bank. The performance of these four KOPBs, from an HRM perspective, is sought to be studied in this paper, after a preliminary discussion on the dynamics of HRM in banks in India in the ongoing era of financial sector reforms. The HR productivity of the KOPBs is sought to be compared.

II.i. Significance of the Study

In the ongoing reforms era in Indian banking, there is intense competition among the banks, including the PSBs, and the relative performance of individual banks and their competitiveness in the market decide their survival and growth. Adoption of modern technology, particularly by embracing the rapid advances in information and communication technology (ICT) can definitely add to the efficiency and competitiveness of any bank. There is the need for adoption of modern marketing practices, like customer relationship management (CRM), particularly Electronic CRM (E-CRM), because it will enhance the customer service and loyalty. The cornerstone of success, however, depends on human resource (HR) of a bank–the most sensitive and also most valuable asset and hence most uncertain too, among all organizational resources.

Considering the fierce competition in the banking industry in the reforms regime, particularly in this VUCA era of the 2010s, and also the ‘traditional’ legacy of OPBs just like PSBs, including the associated burdens (eg. priority sector lending norms, reservation norms in recruitment etc.), it is meaningful to study the performance of OPBs with a focus on HR productivity and allied aspects. This study focuses on the Kerala-based OPBs (or, KOPBs) and the focus is on HRM.

III. Objective of the Study

To make an overall review of Indian banking sector in the reforms with a focus on the impact of ICT, with special reference to Human Resource Management (HRM) function;

To make a SWOT analysis of banks in India from an HRM perspective, and to study in detail the challenges of Indian banks that are related to the HRM function;

To make a comparative study of the performance of the Kerala-based old private sector banks (KOPBs) from an HRM perspective, and suggest strategies for their enhanced performance.

III.i. Research Methodology

The study is descriptive-analytical as well as exploratory in nature. The data sources are primarily the published reports and other statements from authentic sources like the Reserve Bank of India, (RBI), Indian Banks' Association (IBA), Indian Institute of Banking and Finance (IIBF), etc. Other major sources include the audited financial statements of the four KOPBs under detailed study viz. (i) Federal Bank, (ii) South Indian Bank, (iii) Catholic Syrian Bank, and (iv) Dhanalakshmi Bank. Common statistical tools are used for data analysis and interpretation.

III.ii. Literature Review and Research Gap

Ashok Kumar [I] in his research paper, "Retail Banking: Strategies for Success in the Emerging Scenario" in *IBA Bulletin* pointed out the radical changes in Indian banking in the post-reforms era. The need for thrust retail banking was highlighted by the author. Further, the strategies to be followed by banks to remain competitive in the market were suggested. The need for adoption of modern technologies like ICT-based tools, providing superior customer service etc. were pointed out. Last, but not the least, the need for 'human factor' in service was suggested [II] in its report on the banking industry in India, *Banking 2015: Defining the Future of Banking* has made an elaborate analysis of the future changes that may radically change the landscape of commercial banking in India in the decadal period of 2005-2015. The report has pointed out the likely impact of ICT on the banking business, its delivery models, customer service etc. and has predicted 'five key trends' determining banking success in 2015. Strategies for prudent adoption of ICT and such other technologies were suggested for enhanced banking performance.

An empirical study using econometric tools by Ashok Kumar [III] "Determinants of profitability and efficiency of old private sector banks in India with focus on banks in Kerala state: An econometric study" in *Eurasian Journal of Analytical Chemistry*, has sought to the determinants of profitability and efficiency of OPBs in India with a focus on KOPBs. It has been noted that non-operating income (NOM) significantly influences profitability of KOPBs. So, the author has suggested, inter alia, for higher investment in ICT so as to enhance NOM and hence profitability of banks. Strategies for better customer satisfaction and hence better performance of banks are suggested by the authors. Suggestions were made for more effective reach of banking in rural areas, like, improving the e-literacy of rural folk. A paper by Strategies were suggested for meaningful use of E-CRM for enhanced performance and competitiveness of banks which included, inter alia, customer segmentation, product development and process innovation etc.

An empirical study by Ashok Kumar [IV], "E-CRM: A Perspective of Urban and Rural Banks in Kerala" in *Eurasian Journal of Analytical Chemistry*, the authors made a comparative study of the acceptance of e-CRM among urban and rural customers in Kerala. It was pointed out that e-CRM was more accepted among the urban customers than their rural counterparts, and that rural customers had a better inclination towards 'human factor' in services.

About the relevance of bank marketing in this ICT era, In a study by Ashok Kumar [V], "Human Resource Productivity and Financial Performance of Old Private sector Banks (OPBs) in India: A Study of Kerala-based OPBs (KOPBs)" in the author has sought to study in detail the productivity of human resources (HR) with respect to the four Kerala-based Old Private sector Banks (KOPBs), the period of analysis being the 10 years' period FY2005 to FY 2014. The HR productivity of Federal Bank (FB) has been noted to be the highest and is showing an improving trend too, while that of South Indian Bank (SIB) is the second highest and is also showing an increasing trend. Thirdly comes Catholic Syrian Bank (CSB) in which case the trend is rather stagnant. Lastly comes Dhanalakshmi Bank (DB) in which case there is falling trend in productivity.

An empirical study in the context of Kannur district of North Kerala on service quality by Ashok Kumar [VI],"Service quality in rural banking in north Kerala: A comparative study of Kannur district co-operative bank and Kerala Gramin Bank" published in *International Journal of Applied Business and Economic Research* has sought to compare the service quality performance of one Co-operative bank on the one hand and a Regional Rural Bank (RRB) (or, Gramin Bank) on the other – both having good network in Kannur district. The service quality in the RRB is noted to be much higher than the one in the Co-operative bank. Ashok Kumar Katta (2018) [VII] in "Financial technology and service quality in banks: Some empirical evidence from the old private sector banks based in Kerala, India", *International Journal of Supply Chain Management*, the authors have studied as to how financial technology (or ICT-based products and services in financial services, or 'Fintech' in short) has influenced the service quality of Kerala-based private sector banks, using SERVQUAL model. Based on the findings of the study, the authors have suggested strategies for the effective use of 'Fintech' for enhanced customer service and hence competitiveness and profitability of banks. Yet another study by the authors, Ashok Kumar (2018) [VIII], "Future of brick and mortar banking: Relevance of branch banking in the digital era" in *International Journal of Supply Chain Management*, an attempt is made to critically study the relevance of the traditional brick and mortar banking (physical branches with facility for directly interacting with the bank staff by customers) as against virtual banking or ICT-based delivery channels, products and services. It is noted that 'human touch' (as in traditional banking) is relevant even in this era.

In another paper by the same authors, Ashok Kumar (2018) [IX], "Banking in the era of digital transformation and the relevance of data mining technology for enhanced competitiveness: An Analysis" in *International Journal of Supply Chain Management,* the authors have studied the relevance and strategic benefits of data mining technology, and have pointed out that data mining technology, if adopted effectively, can enhance the operational efficiency and competitiveness of commercial banks.

There are many studies on banking performance, impact of ICT on commercial banking, effectiveness of ICT-based products and services, modern approaches like CRM and e-CRM, marketing efforts of banks including their CRM and e-CRM initiatives and also their influence on banking performance, etc. But, studies focusing on the productivity of human resources (HR) of banks are very scarce, the only exception being the paper by Ashok Kumar (2018) [XIII]. So, this paper seeks to bridge this research gap by studying the HR productivity with a focus on KOPBs.

III.iii. Indian Banking in the Reforms Era: An HRM Perspective

The Indian banking system had its origin in the nineteenth century. The character of the system has been changed substantially since 1969, when the major banks were nationalised. Prior to nationalisation, banking was concentrated in urban areas. Banking in early days after nationalisation helped farmers very much from the exploitation of money lenders through rural credit system and it boost the green revolution by providing sources of credit for fertilizers and hybrid seeds. The second round of nationalization of banks in 1980 further increased the social control of the banks in India. As the size of the banking sector increased, the industry became difficult to manage the business manually[XIV]. Computer technology offered a possible solution, India, a small number of industrial houses and a few educational, research and development institutions started using computers in the early 1960s. In fact, many service-oriented industries like airlines, railways and insurance companies introduced large scale computerization way back in the late 1960s and early 1970s, so as to improve their functioning and also to provide better customer service (Anantharama Iyer, 1991). But, banks in India did not introduce large scale computerization initially because of the fear of retrenchment and unemployment (Goodman, 1991). For long banks in India faced virtually no competition and functioned in a protected economy. So, no long-term policy or perspective was framed for the banks in India: banks being treated simply as part of the public sector. Since 1992, this situation has changed as part of the banking sector reforms and economic deregulation. Well-computerized foreign banks are beginning to compete seriously with the nationalized and privet sector banks in India. The Foreign banks (FBs) functioning in India and the NPBs, primarily target the profitable and wealthy market segments alone, in contrast to the 'traditional' banks viz. PSBs and OPBs. FBs and NPBs do not recognize the social banking rationale and have little social responsibility to small account holders, clientele from rural and semi-urban areas, the marginalized etc. There is a sea difference in the kind of competencies required in the reforms era as against the 'traditional-like' ones prevalent in the pre-reforms era. (Table I).

Old Competencies	New Competencies
Ability to operate in well-defined and stable environment	Ability to operate in an ill-defined and ever changing environment.
Capacity to deal with repetitive straight-forward and concrete work process	Capacity to deal with routine
Ability to operate in a supervised work environment	Ability to handle decisions
Isolated work	Group work, Interactive work
Ability to operative within narrow geographical and time horizons	System-wide understanding, ability to operative within expanding
Broad unspecified knowledge	Specialized knowledge
Procedural competencies	Customer assistance oriented

Table.1. New competencies required for the bank employees in the reforms era.
Source: Mankidy, J. Human Resource Management in Banks–Contemporary Issues

In India, one of the major challenges faced by banks in this ICT era is the resistance to change, both of employees and their unions. In the initial period of the massive computerisation by the banking industry, union policies on new technology were basically defensive. They focused almost entirely on the immediate consequences of technological changes on the workforce, especially the aspect of possible job losses. As a result, unions growingly started influencing the process of technological changes so that new technologies can be introduced in such a way as to benefit the workers and to minimize the adverse consequences on workers.

III.iv. HRM Challenges faced by Indian Banks in the Reforms: an Overview

The most important challenges faced by commercial banks in India are the low margin because of cut throat competition end the need for increased working capital. Most of the banks have been recruiting more Specialist Officers as part of improving their competitiveness and coping up with the changes in the industry. Other important imperatives of banks are as follows:

a. Change in structure, systems and procedures involving quick turnaround time to meet world standards.

b. Opening of Specialized branches

c. New Products targeted at specific groups
d. Technology savvy
e. Adopting changes
f. Tie-ups, sharing networks, and strategic alliances
g. Introducing marketing concepts such as understanding customer needs through research and its satisfaction through innovative products and services
h. Strengthening capital base, risk management and skills

In this competitive world existence is determined by dynamic, efficient and effective management. The role of more performing management is increasing day by day. To meet the global standards and to remain competitive banks are inducting more specialists in various fields such as Treasury Management, Credit Risk Management, IT related Services and HRM. Changes are inevitable in most of these areas. The emerging HRM function is to guide the change process. It is not a separate function, rather it is the central to all management functions. HR denotes the most important and vital organizational asset. Acquiring and retaining of HR is a highly specialized job. People are to be scientifically dealt, lest desired results will not come. The right people, once selected and placed suitably, become valuable assets of the respective bank.

Indian banking has been growing fast over the years. India has become one of the sought after banking destinations of the world. The reasons are many: (i) the economy is growing at a rate of nearly 7.5 to 8 percent, (ii) bank credit is growing at more than 25 percent per annum over the years, (iii) there is an ever-growing middle class of near about 250 and 300 million people who are very much in need of financial services. Latest and more complex requirements to compete in the market results in many challenges, like, knowledge about the latest technology, its implementation and operation, forecasting the associated risks, striking a risk-return trade-off, adopting modern pricing techniques etc.

Activities funded by the general public are closely monitored by the Government. Such practices should be highly transparent and there should be proper accounting too, as per the law of the land. Now banks are following global standards (like, Basel norms) for prudential accounting for asset classification, income recognition and loss provisioning.

A variety of new competencies at all levels of management, even at the top level, is required today. Focus on innovation is required so as to remain competitive. Ever growing concerns on the quality of banking services is haunting managements of all banks.

III.v. SWOT Analysis of Banks in India from an HRM Perspective Strengths

Very skilled and talented staff at all levels, particularly in the middle and low levels: The employees of banks in India are relatively more talented and are of higher skill levels. This strength needs to be duly capialised by banks for further improving their competitiveness. The higher quality and potential of the HR makes the banks amenable for desired changes.

Intellectual capital that is capable of qualitatively implementing the imminent changes: As already noted, in general the employees or human capital of the banks in India are skilled and talented; and so is the case of intellectual capital of the banks in India. Higher intellectual capital enables them to qualitatively implement the imminent changes at once.

Critical approach towards the existing standards with a view to develop new ones: This approach definitely helps banks as it facilitates constant and continuous improvement by critically looking at the existing systems and approaches with a view to develop new ones.

Stronger regulatory policies by the central bank that are being implemented by all banks: The regulatory policies being implemented by the central banks of the country viz. Reserve Bank of India (RBI) is one of the most robust ones in the whole world. This in turn makes the banking regulatory mechanism in India one of the strongest in the world.

III.vi. Weaknesses

Poor technology infrastructure: In spite of the large size, vast geographical coverage and also good global presence of the banks in India, the technology infrastructure, especially the level of adoption of the advances in the field of ICT, is rather poor. Except for a few New generation Private sector Banks (NPBs) and also Foreign Banks (FBs) that are functioning in India, the ICT infrastructure of Indian banks is quite lower going by the international benchmarks. This is especially true in respect of the PSBs and OPBs, which are still 'traditional banks' and manage over 70 percent of the total banking business.

Many small banks are likely to be adversely affected by the changes in the industry: The constant changes that are taking place in the banking industry are likely to adversely affect the prospects of the small sized banks. The Old Private sector Banks (OPBs) are relatively small and are vulnerable for acquisition by the larger players. Similar is the case with many smaller PSBs, as they have become the takeover targets of the larger PSBs because the Government – their controlling stakeholder (owner) – may prefer lesser number of stronger and larger PSBs which are globally active. The Government of India has already initiated this process of restructuring the PSBs. Only strong banks would remain in the future and hence the smaller banks have to become abreast of the changes and also competitive.

Poor compensation system: The remuneration or pay package of the bank employees is less attractive when compared with those of other sectors including school and college teachers, Government employees etc., unlike in the past when bank employees used to get better compensation than most of the other sectors. Hence, only less talented people are joining the banks today unlike in the past. Their work load is on the rise because of the policy of downsizing, because of the fact that downsizing is essential for better operational efficiency and profitability of banks in today's competitive banking industry.

Poor talent management: As already noted, given the less attractive pay package and disproportionately higher workload, it is difficult to get talented employees for the banking sector. Besides, it is difficult to retain the talented employees, because the private banks and foreign banks offer better pay packages than the 'traditional banks' like PSBs and OPBs. The experienced and skilled employees, particularly of the PSBs and OPBs, get more attractive offers from the NPBs and FBs, leading to a constant 'brain drain' process.

III.vii. Opportunities

Availability of fresh talent would strengthen the banking operations in the future: The freshly appointed employees are generally of higher technical skills (eg. ICT skills) and if such more talented people could be retained, then they may become valuable assets. The skilled and techno-savvy employees have better operational efficiency and can provide better customer service than the employees of the older generation.

Enhanced levels of risk management expertise: Better systems for management of various risks associated with banking (like, credit risk, market risk, operational risk, etc.) are being implemented by the banks in India, as per the directives of the regulator, viz. the RBI. The implementation of Basel – I norms followed by Basel – II and so on is an example. Robust risk management architecture will help banks to remain globally strong and competitive.

Need significant connection among business credit and risk management and ICT: As the business of banks goes up, there is the need for closer and more effective management of all associated risk, particularly credit risk and market risk. The need for constantly adopt the fast advances in the field of ICT, brings in greater challenges in operational risk, particularly in the form of technology risk. But, given the robust risk management systems being implemented by the banks in India and also the immense potential of ICT, an integrative approach to business, risk management and ICT offers excellent prospects.

III.VIII. Threats

Inability to meet additional capital requirements: The vast changes required as part of implementation of international banking norms like Basel – II (now being migrated into Basel – III) would require enhanced capital requirements so as to ensure the minimum Capital Adequacy Ratio (CAR). This, in turn, would require huge investments in capital. The case of capital-starving PSBs in India is a classic example and the Government of India needs to pump in very huge amounts to ensure the minimum CAR for the PSBs. In respect of OPBs, unless they raise their capital to catch up with the CAR norms, they may eventually become take-over targets of bigger players and may disappear from the scene.

Huge investment in technologies: Modern customers are highly discerning and they expect high-tech products and services from banks. In order to attract and retain such customers and also to improve their operational efficiency, competitiveness and customer services, banks have invest heavily in technology (eg. installing ATMs, providing e-CRM and other ICT-based services like internet banking etc.). Such huge investments are beyond the reach of many banks, particularly the OPBs and smaller sized PSBs.

Advent of FBs and NPBs and their aggressive efforts to capture the talented manpower: The FBs and NPBs constantly lure the skilled, talented and experienced staff, particularly from the PSBs and OPBs. As FBs and NPBs are high-tech in nature, they can effectively utilize the experience and talent of the employees so hired from OPBs and PSBs to provide quality banking services through high-tech platforms cost-effectively and efficiently. On the other hand, the PSBs and OPBs who already have difficulty in getting talented staff because of poor pay packages, are now witnessing migration of their own talented staff.

Increasing trend in the cost of human capital: The cost of skilled and talented HR (or human capital) is constantly on the rise. Skilled and talented professionals in any field expect better pay packages and banking profession is no exception. That is why, experienced, skilled and talented bank employees are being lured by better packages offered by the NPBs and FBs who can afford to pay more given their high-tech systems that need minimum human interventions. This tendency adversely affects the ‘traditional banks’ like PSBs and OPBs who are ‘less high-tech’ when compared to FBs and NPBs. Ever growing cost of human capital may severely affect the prospects of OPBs and NPBs, unless they too improve their ICT infrastructure, hire better talent by offering better packages, and accordingly boost their operational efficiency, and competitiveness.

Because of the fast advances in ICT and growing competition, the quality of HR is more important than their quantity (i.e. the number of employees or HR). Banks are in the process of reducing the quantity and increasing the quality of HR. Banks need quality HR for their more effective and efficient functioning in this highly competitive scenario.

III.ix. Performance of Kerala based Old Private sector Banks: An HRM Perspective

In this section, an attempt is made to make a closer look into the HR productivity in respect of the four Kerala based Old Private sector Banks (KOPBs). The HR productivity highlights in respect of the four KOPBs under study viz. Federal Bank Limited (FBL), South Indian Bank Limited (SIB), Catholic Syrian Bank Limited (CSB), and Dhanalakshmi Bank Limited (DLB) are depicted respectively in Tables II to Table V. It is noted that there is a constantly increasing trend of Business per employee in respect of all the four KOPBs under study. (Tables II to V).

Financial Year (FY)	Business per Employee (in lakhs)	Profit per Employee (in'000s)
FY 2011	907	710
FY 2012	991	888
FY 2013	1011	833
FY 2014	986	801
FY 2015	1112	916
FY 2016	1167	404

Table.2. HR Productivity Ratios – Federal Bank Limited (FBL)

Source: *CRISIL Research* (2018), Retrieved through CUSAT gateway.

It is noted that in respect of Federal Bank (FBL), though the Business per employee ratio shows a constantly increasing trend, the Profit per employee ratio shows a rather mixed trend. The trend not encouraging and as of FY 2016 it is not even half that of FY 2015. (Table II).

Financial Year (FY)	Business per Employee (in lakhs)	Profit per Employee (in'000s)
FY 2011	918	500
FY 2012	1079	700
FY 2013	1201	800
FY 2014	1177	714
FY 2015	1141	393
FY 2016	1244	428

Table .3. HR Productivity Ratios – South Indian Bank Limited (SIB)

Source: CRISIL Research (2018), Retrieved through CUSAT gateway

In respect of South Indian Bank (SIB) too, the Business per employee ratio is satisfactory as it is increasing. But, Profit per employee ratio is not improving and its trend is not encouraging. It is very low in FY 2015, and also in FY 2016 though it has marginally improved. (Table III)

Financial Year (FY)	Business per Employee (in Lakhs)	Profit per Employee (in'000s)
FY 2011	537	500
FY 2012	675	100
FY 2013	736	120
FY 2014	773	90
FY 2015	803	(-180)
FY 2016	778	(-520)

Table.4. HR Productivity Ratios – Catholic Syrian Bank Limited (CSB)

Source: *CRISIL Research* (2018), Retrieved through CUSAT gateway

It is noted that in respect of Catholic Syrian Bank (CSB) too, the Business per employee ratio is satisfactory and there is a clearly increasing trend, except for the last year viz. FY 2016. But, Profit per employee ratio shows a very disturbing and constantly declining trend. Over the last two years (FY 2015 and FY 2016) the ratio was negative. It is worsening too. (Table IV).

Financial Year (FY)	Business per Employee (in Lakhs)	Profit per Employee (in '000s)
FY 2011	589	70
FY 2012	593	(-330)
FY 2013	730	10
FY 2014	826	(-1040)
FY 2015	880	(-1060)
FY 2016	838	(-960)

Table.5. HR Productivity Ratios – Dhanalakshmi Bank Limited (DBL)

Source: *CRISIL Research* (2018), Retrieved through CUSAT gateway

In respect of Dhanalakshmi Bank (DLB) also, it is noted that the Business per employee ratio is generally satisfactory and there is a clearly increasing trend, except for the last year viz. FY 2016. But, Profit per employee ratio shows a growing deteriorating trend, and this ratio is worsening year and after. In four out of the six years under study the ratio was negative (Table V).

In view of the above, it is noted that though there has been steady increase in the Business per employee ratios in respect of all the four KOPBs under study, the trend in respect of Profit per employee is poor in all cases. Even in respect of FBL which has got the best performance in respect of employee profitability, there is a disturbing trend as of FY 2016. Worse is the case in respect of SIB, where the declining trend has started right from FY 2014 and is continuing also. In respect of CSB, apart from the declining trend right from FY 2014, CSB has been making losses too from FY 2015 and the loss per employee is growing fast. In short, in spite of a growing trend in Business per employee in respect of all KOPBs, all of them need improvement in respect of Profit per employee. The case of CSB and DLB are very vulnerable in this regard.

III.x. Suggestions based on the Findings of the Study

To enhance the profitability banks have to improve their operational efficiency. In this era of digital transformation and growingly discerning customers, the only way to improve operational efficiency is ICT adoption. ICT-based products and services and also more delivery channels have to be offered to the customers. Modern approaches like e-CRM as against traditional CRM would be highly preferred in this regard.

Along with ICT adoption and providing more services that attract the modern customers who are very discerning, there should be focus on the 'human factor' or the 'human touch' in services. As revealed by previous studies, like, the human factor is vital in banking even in this era of ICT and robotics.

Apart from 'human factor' as noted above, added thrust is required for relevant skills, like, honesty, eye contact, co-operation, good attitude, self-supervision, punctuality etc. Besides, motivational skills, interpersonal skills etc. are vital for the bank employees for their performance and competitiveness in this ICT era.

IV. Conclusion

In spite of the profitability and productivity issues faced by the banks in India in general, and KOPBs in particular, given the immense potential of ICT all these banks can effectively tide over the situation by proper ICT adoption along with thrust on imparting soft skills to their staff. Along with improving the ICT infrastructure for bringing about higher profitability and productivity, it is equally important to ensure that 'human factor' is there is all such services.

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