

A Critical Study on Human Resource Development (HRD) Practices and Their Organizational Consequences in Indian Commercial Banks

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Abstract: Banking sector especially commercial banks in India is the most important sector in the economic growth of the country. The effects of Human Resource Development (HRD) practices in determining the performance capabilities, flexibility and sustainability of banks are very crucial. The current research work critically discusses HRD practices in Indian commercial banks with regard to recruitment, training, performance appraisal, and development as well as employee engagement. It examines the effects of such practices on issues like performance of the employees, the fulfillment of the organizational commitment, the job satisfaction and the quality of customer service. It further assesses the existing issues and proposes solutions to the same on how to better HRD to benefit the organization. Various practices of HRD in Indian commercial banks play a major role in determining whether a given bank is competitive, efficient and employee centric or otherwise. The progressive HRD strategies are being incorporated in the private banks whereas the public sector banks should learn flexibility and restructure their strategies in the sphere of modernization. Investing in digital transformation, employee healthcare, and HR data-based strategies, banks will be able to build a high-performance and resilient workforce. HRD should no longer be viewed as facilitating role but a commanding force behind organizational excellence in the Indian banking sector. The HRD practices in Indian banking sector have evolved where they could apply it as a legalistic necessity to a strategic facilitator of growth and innovation. With a stronger recruitment, training, appraisal, career development and employee well-being, banks have an advantage of facing challenges in the future and improving the overall performance in the organization.

Keywords: Skill Obsolescence, Inflexible HR Policies, Lack of Customization, High Attrition and Burnout and Digital HRD Platforms.

INTRODUCTION

One of the critical parts of high-strategic human resources management is Human Resource Development (HRD), which guarantees the operational growth and the constant development of the human resource. Representative of Indian commercial banks, HRD plays a crucial role in sufficiently counteracting the sway of changing technologies, altering expectations of the consumer, and the growing competition. HRD practices are bound to change with increased digital banking and financial inclusion so that the employees are skilled, motivated and aligned to the objectives of the organization. This paper critically discusses HRD of Indian commercial bank, evaluates its effects on organizational performance and defines the challenges and future directions of improvement. Indian banking HRD practices touch the surface in the performance of individuals and organizations. Incorporating performance, commitment, customer satisfaction and innovation in the alignment of

HR strategies banks would be able to create resilient and future-ready workforce. The success of HRD will eventually spell out the competence of a bank to compete, serve and transform in the fast-changing financial environment.

HRD in Indian Commercial Banks: An Overview Evolution of HRD in Indian Banking

The evolution of Human Resource Development (HRD) in Indian banking has been a dynamic journey marked by significant structural, strategic, and cultural shifts. From a traditional personnel management approach to a modern, competency-driven HRD system, the Indian banking sector has transformed its human resource philosophy in response to economic reforms, technological advancements, competition, and changing workforce expectations.

Pre-Liberalization Era (Before 1991)

In the pre-liberalization period, HR practices in Indian banks were primarily administrative. Human resource

functions were restricted to recruitment, payroll, record-keeping, and compliance with labor laws. The approach was bureaucratic, centralized, and lacked strategic orientation. Training, if conducted, focused mainly on clerical and procedural tasks. The primary goal of HR was to maintain industrial peace and manage personnel rather than to develop human capital.

Post-Liberalization Phase (1991–2000)

The 1991 economic liberalization in India acted as a catalyst for transformation in the banking sector. With increased competition, deregulation, and entry of private and foreign banks, there was a growing realization of the strategic importance of HRD. Banks started to shift from a reactive personnel management model to a proactive HRD framework that emphasized employee skills, leadership development, and customer service. Training and development gained prominence during this period. Institutions like the National Institute of Bank Management (NIBM) and individual banks' training colleges began offering more structured programs focused on managerial, technical, and behavioral competencies. Appraisal systems evolved from seniority-based promotions to performance-oriented assessments.

Technological Advancement and Digitalization (2000–2010)

The early 2000s witnessed the emergence of digital banking and core banking solutions (CBS), necessitating the upskilling and reskilling of bank employees. HRD responded with more technology-integrated training, e-learning modules, and change management initiatives. The role of HR expanded to include talent management, employee engagement, knowledge management, and organizational culture building. Banks also began to implement performance-linked incentive schemes and introduced 360-degree feedback, balanced scorecards, and career planning models to retain and motivate talent. HR departments started aligning more closely with strategic business goals.

Modern HRD Practices (2010–Present)

HRD in the Indian banking industry has been more data, employee, and agile driven in the last few years. It has taken the attention to overall development, diversity and inclusion, emotional intelligence and work-life balance. Mentorship, leadership development programs and coaching have become part and parcel of the HRD strategies. In addition, talents are also acquired and performance forecasted and employees engaged through HR analytics and AI-enabled instruments. Since the advent of new types of work after the COVID-19 pandemic, such as hybrid, flexible work schedules, training, and wellness programs have become the norm in banks, as organizations seek to keep employees healthy and productive. Public sector banks, which were slow to transform, are adapting more towards the HR transformation initiatives in order to compete with the presently owned banks. Most of the banks have reorganized their HR departments, and implemented digital HR applications (such as HRMS) and the process of developing a learning organization culture. The transformation of HRD in Indian banking implies the

movement away of control and compliance to collaboration and capability building. HRD is central when it comes to promoting innovation, resilience, and future-ready workforce as banks deal with the intricacies of globalization, fintech disruptions, and the evolving customer expectations. The sole future of HRD in Indian banking consists of continuous learning, digital fluency and anthropocentric leadership.

HRD PRACTICES IN INDIAN COMMERCIAL BANKS

Key Components of HRD in Indian Banking Sector

Human Resource Development (HRD) plays a vital role in strengthening the Indian banking sector, which is undergoing rapid transformation due to digitalization, increasing competition, and evolving customer expectations. The following are the core components of HRD in Indian banks that contribute to building a competent and future-ready workforce:

1. Recruitment and Selection: The recruitment and selection are the bases of HRD. Traditional recruitment systems of Indian banks have advanced to be more systematic and expansive one. Centralized competitive examination organized by the organizations such as IBPS and SBI to a great extent forms the major sources of entry of the public sector banks on merit basis. Conversely, the campus, lateral hiring, psychometric records and behavior based interviews are activities employed by the private banks in order to determine the suitability of the candidates. Of late, banks are paying greater attention to cultural fit, digital skills and service orientation as a way of responding to the constantly changing needs of technologically inclined customers.

2. Training and Development: Training and development have become central to HRD in banks due to rapid technological changes and the need for customer-centric services. Banks now offer a mix of classroom sessions, e-learning modules, on-the-job training, and certification programs. Training institutes like NIBM, IDRBT, and individual bank academies support skill development in areas like fintech, risk management, cyber security, soft skills, and leadership. Some banks have introduced Learning Management Systems (LMS) to enable continuous, personalized learning. Upskilling and reskilling are now critical to maintaining competitiveness and regulatory compliance.

3. Performance Appraisal: Performance appraisal in Indian banks has evolved from seniority-based and subjective evaluations to more structured, transparent, and performance-linked systems. Many banks, especially in the private sector, have adopted Key Result Areas (KRAs), Balanced Scorecards, and 360-degree feedback mechanisms. These systems not only evaluate employee performance but also identify high-potential individuals for future leadership roles. The shift towards merit-based promotions and performance-linked incentives reflects the growing strategic role of HRD in aligning individual and organizational goals.

4. Career Planning and Succession: Career planning and succession management are essential for talent retention and leadership continuity. Indian banks have started implementing structured career paths, competency

frameworks, and talent mapping exercises to guide employees toward long-term growth. High-performers are identified through appraisal systems and groomed through mentoring, job rotation, and specialized training. Succession planning ensures that critical positions are not left vacant and that future leaders are ready to take charge, especially during digital transformation or organizational restructuring.

5. Employee Engagement and Well-being: Workforce engagement and well-being have become popular topics in the last several years as part of the emphasis on workplace stress, burnout, and COVID-19 pandemic impact. Employee satisfaction survey, town halls and feedback sessions have been introduced in banks on a regular basis. Flexible work to wellness initiatives, mental health, grievance redress, reward and recognition schemes are some of the initiatives which are finding their way into HR policies. A healthy and active workforce directly helps in increased productivity, reduced attrition and customer service.

Organizational Consequences of HRD Practices

Impact of HRD Practices in Indian Banking

Human Resource Development (HRD) is not merely a support function but a strategic driver in the Indian banking sector. By investing in structured HRD systems, banks are able to foster a workforce that is not only competent but also committed, customer-focused, and adaptable to change. The impact of HRD can be observed in four critical outcome areas:

Employee Performance: HRD directly contributes to the performance of employees since it equips individuals with the knowledge, expertise, as well as skills to perform at the best of their abilities. Employees are competent and confident as they are taken through structured training and development programs that include core banking, regulatory compliance, digital banking and soft skills. Key performance indicator (KPI)-based performance appraisal systems enable one to identify what needs to be improved, and what is working, and a specific development plan can be made based on these. Furthermore, lateral learning with Learning Management Systems (LMS), mentoring, and coaching will enable the employees to address the emerging problems effectively. When such staff members feel that their growth is supported, they become more productive, precise and service-oriented. Performance

based incentives also contribute to the motivation of staff to reach their set goals and even surpass them.

Organizational Commitment: Career planning, fair performance evaluation and a supportive work culture foster organizational commitment. When employees see opportunities for progression, recognition, and meaningful contribution, their emotional and professional attachment to the bank increases. HRD strategies like internal promotions, leadership development, and participatory decision-making create a sense of belonging and loyalty. Public and private sector banks that invest in employee well-being—through mental health initiatives, flexible work, and grievance redressal—witness lower turnover and higher employee morale. A committed workforce is more likely to go the extra mile, work collaboratively, and uphold the bank's values.

Customer Service Quality: The quality of customer service in banks is closely tied to HRD initiatives. Training in soft skills, problem-solving, and digital tools enhances front-line employees' ability to interact professionally and efficiently with clients. Banks that emphasize customer-centric values in their HRD policies build a workforce capable of understanding diverse customer needs and offering personalized services. When employees are well-trained and engaged, they provide quicker resolution of queries, handle complex transactions with ease, and create positive customer experiences. This translates to higher customer satisfaction, brand loyalty, and increased business for the bank.

Innovation and Adaptability: Innovation and adaptability are crucial in today's banking environment, shaped by fintech disruptions and evolving customer expectations. HRD fosters a culture of innovation by encouraging continuous learning, critical thinking, and openness to change. Through job rotations, cross-functional projects, and exposure to digital technologies, employees become more agile and responsive. Banks that include innovation modules in their training, reward creative problem-solving, and involve employees in change management processes are better equipped to adopt new models—like digital lending, block chain, or AI-based customer service. Such adaptability ensures long-term sustainability and competitiveness.

ANALYSIS, FINDINGS AND RESULTS

Human Resource Development (HRD) has gained strategic importance in the Indian banking sector, its effective implementation is not without challenges. Rapid changes in the banking environment, technological disruptions, and evolving employee expectations expose several gaps in current HRD frameworks. The key challenges include:

Table 1: Challenges in HRD Practices

Factors	Mean	Std. Deviation	Mean Rank
Skill Obsolescence	4.16	0.987	4.65
Inflexible HR Policies	3.33	1.154	3.05
Lack of Customization	3.42	0.824	3.38
High Attrition and Burnout	3.50	1.125	4.01
Digital HRD Platforms	3.29	1.026	3.16

Table 1 presents key challenges in Human Resource Development (HRD) practices, evaluated using mean scores, standard

deviations, and mean ranks. The most prominent challenge identified is Skill Obsolescence, with the highest mean score of 4.16 and a mean rank of 4.65. This suggests that employees frequently face outdated skills in a rapidly evolving work environment, highlighting the urgent need for continuous learning and upskilling. High Attrition and Burnout is the next major concern (mean = 3.50, rank = 4.01), indicating that organizations are struggling to retain talent and manage employee well-being. This could be linked to increased workload, lack of motivation, or inadequate support systems. Lack of Customization (mean = 3.42, rank = 3.38) and Inflexible HR Policies (mean = 3.33, rank = 3.05) point to systemic issues where HRD programs may not be tailored to individual or departmental needs, resulting in reduced engagement and effectiveness. The challenge of Digital HRD Platforms (mean = 3.29, rank = 3.16) reflects possible resistance to or inefficiencies in technology adoption for HRD purposes. Overall, the findings emphasize the need for dynamic, employee-centric, and technologically adaptive HRD practices to address evolving workforce challenges and enhance organizational performance.

Table 2: Friedman Test

N	200
Chi-Square	19.568
df	04
p	0.002

Table 2 presents the results of the Friedman Test, a non-parametric statistical test used to detect differences in rankings across multiple related groups—in this case, the HRD challenges from Table 1. With a sample size of N = 200, the test yields a Chi-Square value of 19.568 with 4 degrees of freedom (df) and a p-value of 0.002. Since the p-value is less than 0.05, the result is statistically significant. This means that there are meaningful differences in how the respondents ranked the various HRD challenges. In other words, not all challenges are perceived equally—certain issues, such as skill obsolescence or attrition, are considered more pressing than others. This statistical confirmation supports the interpretation in Table 1 and underlines the need for HR managers to prioritize interventions based on the relative importance employees assign to each challenge.

DISCUSSION

1. **Skill Obsolescence:** Artificial intelligence, block chain, cyber security, and fintech innovations are changing the banking industry by verging into digital revolution. Skill obsolescence in many bank employees, especially in the public sector banks, is a menace facing them since they have not been trained to meet the technological trends. Although the banks are attempting to reskill its employees, a huge gap still exists in the fields of digital literacy, data analytics, and customer relationship management. The alternative to a steady process of upskilling is the loss of relevance to employees and competitiveness by the banks.
2. **Inflexible HR Policies:** One of the persistent challenges, especially in public sector banks, is the existence of **rigid and bureaucratic HR policies**. Promotions based on seniority rather than merit, uniform training programs for diverse roles, and slow decision-making processes hinder employee motivation and performance. In contrast, private banks have more agile HR systems, allowing for quicker adaptation to business needs. The lack of flexibility in policy frameworks prevents the alignment of HRD with dynamic market requirements and employee aspirations.
3. **Lack of Customization:** HRD programs in many banks still follow a **one-size-fits-all approach**, without considering the individual learning needs, roles, or career stages of employees. For instance, the same training module may be delivered to junior officers and mid-level managers, resulting in sub-optimal learning outcomes. A lack of role-based, personalized, and need-specific training reduces the effectiveness of HRD initiatives. Customization is essential for ensuring that

- development programs are relevant, engaging, and result-oriented.
4. **High Attrition and Burnout:** The banking sector, particularly private banks, faces **high levels of attrition**, especially among young professionals. Factors contributing to this include high pressure to meet sales targets, long working hours, lack of career clarity, and limited work-life balance. **Employee burnout** is a growing concern, leading to reduced productivity, disengagement, and mental health issues. Despite some efforts at wellness initiatives and flexible working, many banks have not fully addressed these systemic issues in their HRD strategies.
 5. **Limited Use of HR Analytics:** Although some of the top fringe banks have embarked on using HR analytics in talent recruitment, performance management and training assessment, majority of the banks are yet to adopt a data-based strategy to HRD. This low level of the use of analytics implies that questions of workforce planning, training ROI, and engagement are still decided on an intuitive basis instead of an evidence-based one. This confines the HR departments to taking uninformed interventions and not aligning the human capital to organizational agenda. These HRD challenges are important to address in an attempt to develop a sustainable and the workforce of the future in Indian banks. Filling the skills gap, taking strategic and more flexible and personalized policies, diminishing burnout, and analytical use is one way in which HRD can become a force of innovation, engagement, and excellence advancement with regard to banking operation.

Recommendations

Strengthen Digital HRD Platforms

In the digital age, the Indian banks have to transition to the new forms of HRD of the digital HR solution that offers scalable, personalized, and real-time development. Tight Learning Management System (LMS) integrated with mobile learning applications and artificial-intelligence-guided suggestions may provide the ability to personalize training modules that apply to a person, their professional role, the career path chosen, and based on their performance. Onboarding, learning, feedback, certification and performance support are suggested to be incorporated into a smooth ecosystem on digital HRD platforms. What is more, it is possible to increase engagement and knowledge retention through gamification, micro learning, and virtual simulations. As an example, employees would be better prepared in case of fearful situations by digital simulations of customers or risk simulations, as compared to passive learning. The platforms can also enable life-long learning as opposed to interventions that are periodical which is very important in such a dynamic industry as banking. Digitization of HRD processes enables banks to support access to remote, hybrid workgroups, analytics in learning achievement, and integration of training investment with business results. This should be enabled with policy and budgetary assistance especially to public sector banks so that such platforms can be adopted in scale. Digitization of HR systems further allows businesses to cut operations costs, including the cost of fulfilling requests, and instead creates a more nimble, perpetually prepared, more talented pool of employees capable of performing under an ever-changing environment in the banking sector.

Revise Performance Management Systems and Institutionalize Career Planning

Traditional performance appraisal systems in Indian banks, especially in the public sector, often emphasize tenure and routine output rather than strategic impact and innovation. To remain competitive, banks must revise their performance management systems to be more objective, transparent, and development-focused. Introducing Key Performance Indicators (KPIs), 360-degree feedback, and continuous performance discussions ensures alignment with business goals and individual aspirations. Simultaneously, there is a need to institutionalize career planning as a formal HRD function. This involves mapping clear career paths, identifying high-potential talent, and linking performance outcomes with growth opportunities. Career planning helps in boosting employee morale, reducing attrition, and developing a pipeline for leadership succession. Employees should be encouraged to pursue certifications, attend leadership programs, and take on cross-functional projects that align with their career goals. An integrated system that connects performance reviews with career development plans will empower employees to take ownership of their growth, and help managers make data-driven talent decisions. This dual approach — revising performance management and embedding career planning — promotes a high-performance culture that is essential for long-term organizational success.

Promote Employee Well-being

Stress, burnout and disengagement of the banking

workforce are an outcome of the growing pressure to achieve business objectives, extended working hours and digital fatigue. The question of whether to pursue employee well-being as an HR initiative is no longer in the discussion because this process has become a strategic necessity. Indian banks need to incorporate wellness as part of their corporate culture that can only be achieved via active and comprehensive well-being initiatives considering the physical, mental, emotional and financial well-being. Some of the initiatives may be flexible work schedules, psychological counseling, employee assistance programs (EAPs), stress management programs, ergonomic workplace management, and financial coaching. Production of wellness champions, provision of wellness apps and periodic survey of well-being can work to detect problem areas and chart progressions. In addition to programs, it is critical to create a psychologically safe working environment in which employees feel support to communicate their concerns, have breaks without being stigmatized, and get support when their personal lives have an emergency. Managers and leaders should be educated to observe the symptoms of burnouts and become empathic leaders. Employee well being as an investment will not only increase the productivity and job satisfaction but also minimize absenteeism and turnover. In long term, propped up workforce leads to better customer service, enhanced brand perception and enhanced organizational resilience.

Invest in HR Analytics

The integration of HR analytics into human resource development can revolutionize decision-making and strategic planning in Indian banks. With vast amounts of employee data available—on performance, training, engagement, and turnover—banks can use analytics to uncover patterns, predict behaviors, and personalize interventions. HR analytics enables evidence-based decisions on recruitment effectiveness, training ROI, attrition risks, and talent readiness. For example, predictive analytics can identify employees likely to leave and suggest timely interventions. Learning analytics can show which training modules lead to better performance outcomes, helping HR tailor future programs. Despite its benefits, the adoption of HR analytics in Indian banks remains limited due to lack of capability, data integration issues, and cultural resistance. Banks should invest in HR technology, upskill HR professionals in data analysis, and create cross-functional HR-IT teams to unlock the potential of analytics. By embedding HR analytics into core HRD processes—like succession planning, engagement tracking, and competency assessment—banks can become more agile and proactive. Over time, data-driven HRD not only improves workforce productivity but also aligns talent strategies with business objectives in a measurable and scalable manner.

Encourage Leadership Development

Strong leadership is critical for navigating digital transformation, managing customer expectations, and fostering innovation in the Indian banking sector. However, many banks lack structured and scalable **leadership development programs** that prepares employees for future roles. Encouraging leadership development must be a core

component of HRD strategy. Banks should design tiered leadership pipelines—emerging leaders, mid-level managers, and senior executives—with customized learning journeys that include classroom training, e-learning, mentorship, coaching, and action learning projects. Collaborations with institutions like IIMs, NIBM, or global universities can bring in world-class insights. Rotational assignments, crisis simulations, and strategic project ownership can also accelerate experiential learning. Leadership development should be linked to succession planning, so high-potential employees are continuously identified, tracked, and groomed for critical roles. In addition, banks must focus on building inclusive, emotionally intelligent, and agile leaders who can manage diverse teams and lead change. Post-COVID, the emphasis on empathetic and adaptive leadership has increased, and HRD policies must reflect this shift. Investing in leadership development ensures that banks have the internal capability to adapt to challenges, drive innovation, and maintain service excellence in an evolving financial ecosystem.

Future Directions

Integration of AI in HRD

The incorporation of Artificial Intelligence (AI) in HRD is a game-changer in the way Indian banks cultivate and handle human capital. Recruitment (via resume screening and predictive hiring) and performance monitoring, personalized learning, and career path mapping are becoming various applications of AI-driven tools. Artificial intelligence chatbots are capable of helping in answering the questions of the employees and machine learning algorithms can provide training modules according to the performance needs and the learning styles of any given employee. The application of AI in learning and development allows the use of adaptive learning systems that change the way content is delivered to learners on a real-time basis in order to enhance knowledge retention and engagement. With the help of AI, predictive analytics can help now recognize the employees who are likely to leave the company so that the issues may be stopped in the first place. Data-driven decisions on talent development AI also allows biasless assessments. In the case of Indian banks, especially the publicly owned financial institutions, including AI in HRD has the potential to make them lean and efficient, decrease administrative duties and give decision-makers strategic directions based on data-driven approaches. Nevertheless, to implement the tool successfully, it is important to consider the issue of data privacy, provide the HR employees with new skills to use AI to their advantage, and establish a digital trust culture. In the long-run, AI in HRD has the potential to increase personalization, transparency, and workforce agility extensively.

Cross-sectoral Learning

Cross-sectoral learning is an emerging HRD approach where banks learn and adopt best practices from other industries such as IT, healthcare, retail, and manufacturing. In a fast-evolving ecosystem, where customer experience, digital transformation, and agility are key differentiators, insights from these sectors can significantly enhance HRD outcomes in banking. For example, the IT sector's use of

agile methodologies, continuous learning platforms, and flexible career frameworks can be adapted by banks to build more dynamic and tech-savvy workforces. Retail's expertise in customer service training can help banks improve frontline engagement. Healthcare's approach to compliance and risk training can inform banking practices around regulation and audit. Indian banks should encourage inter-industry collaborations, benchmarking exercises, and job exchanges or secondments to facilitate knowledge transfer. Cross-sectoral conferences, webinars, and joint training programs can further deepen learning. This approach not only fosters innovation and relevance but also builds employees' adaptability and cross-functional thinking, which are essential in a customer-centric and digitally driven banking environment.

Remote Workforce Management

The COVID-19 pandemic accelerated the shift toward remote and hybrid work models, compelling banks to rethink traditional workforce management. While back-end operations and customer support can be efficiently handled remotely, managing employee engagement, productivity, and development in virtual environments remains a challenge. HRD must now focus on developing digital collaboration skills, building trust in virtual teams, and training managers on remote leadership. Virtual onboarding, online training modules, digital performance reviews, and remote wellness initiatives have become essential. Banks should also invest in secure, scalable HR technology platforms that enable time tracking, communication, and real-time feedback. Policies must be redefined to accommodate remote work standards, including data security, work-life balance, and mental health support. Creating a culture of accountability and outcome-based performance is vital in remote setups. By mastering remote workforce management, Indian banks can tap into broader talent pools, reduce operational costs, and enhance employee satisfaction, while staying resilient to future disruptions.

Sustainability and ESG Training

With Indian banks more and more converging towards the global standards of sustainability, the Environmental, Social and Governance (ESG) training is becoming a part and parcel of HRD. All the employees in every functional area should be aware of the ESG obligations of the bank, including green financing and ethical lending, diversity in the workplace environment, and climate risk management. The training programs must inform the staff about the relevance of ESG objectives in the assessment of credit, investment decisions, compliance, and customer advisory functions. Another example is that branch managers and relationship officers should know the sustainable lending standards, and the HR teams should promote diversified hiring and ethical in-office behavior. It is important to be aware of sustainability metrics, ESG disclosures and regulations like BRSR (Business Responsibility and Sustainability Reporting) issued by SEBI. Banks are able to liaise with ESG consultants, non-governmental organizations and universities to offer practical ESG learning programs. Case studies, gamified e-learning, and workshops about green finance or social impact initiatives

can also make people more engaged. The top-down commitment will also be guaranteed by combining their ESG training in the leadership development. In the long run, the ESG-literate staff will help to make the banking more responsible, stakeholders more likely to trust it, and generate long-term value.

CONCLUSION

The critical study on Human Resource Development (HRD) practices and their organizational consequences in Indian commercial banks reveals several pressing challenges and their impact on workforce management and institutional performance. The analysis highlights skill obsolescence as the most significant concern, underscoring the need for continuous learning and strategic reskilling initiatives. Additionally, issues such as high attrition and employee burnout, inflexible HR policies, and lack of customization in training programs point to systemic shortcomings in current HRD approaches.

The results of the Friedman Test confirm statistically significant differences in the perception of these challenges, indicating that some issues are more acute and demand urgent attention. The relatively lower ranking of digital HRD platforms suggests that technology adoption in HRD remains under-leveraged and may require better integration and user acceptance.

Overall, the study concludes that Indian commercial banks must adopt more dynamic, employee-centric, and technology-driven HRD strategies to remain competitive and sustain employee engagement. Aligning HRD practices with organizational goals, fostering innovation, and building resilience through proactive talent development will be crucial for long-term success in the evolving banking landscape.

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