

A study on Analysis of Training and Development practices in Indian Commercial Banks.

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ABSTRACT

There have come about many changes in India, especially in the banking sector thanks to the new economic policy that was introduced during the early nineties. The emerging business profile of banks would include non-traditional areas like merchant banking, mutual funds, newer financial services, personal investment counseling, factoring, venture capital and possibly consultancy and research services. The banks are continuously making innovations in their operational fields and thus the profile of these banks will undergo major transformations. It calls for new knowledge, skills and attitudes and training systems will have to stand up to these challenges and it will definitely demand for changes in approaches to training. The new technology will transform the skill structure in banks. Therefore, the need for a systematic training has resurfaced to sharpen the skills and talents of the employees in the organizations. Some organizations have gone for a prudent way of grooming the in house talent which can be trained to meet the human resources gaps and requirements. The significance and value of training has long been recognized. Considering the popular and often repeated quotation, "Give a person a fish and you feed him for a day. Teach a person to fish and you feed him for a life time". This simple but profound saying is attributed to the wisdom of Confucius who lived in the 5th century BC.

KEYWORDS : Human Resource Management, Training and Development, Banks, Employees.

Introduction

Human resource is one of the potential resources of any country's economy. It is the wealth of the country. India, being a country with a large population, has a vast potential in its human resource. People have always been central to organizations, but their strategic importance is growing in today's knowledge-based industries. An organization's success increasingly depends on the knowledge, skill and abilities of the employees, particularly as they help to establish a set of core competencies that distinguish an organization from its competitors. With appropriate human resource policies and practices an organization can hire, develop and utilize the best brains in the market.

Human Resource Management is a strategic and coherent approach to the management of an organization's most valued assets - the people working there who individually and collectively contribute to the achievement of its objectives. It is a process of bringing people and organizations together so that the goals of each are met. It tries to secure the best from people by winning their wholehearted cooperation.

Human resource management (HRM) is concerned with the "people" dimension in management. Since every organization is made up of people, acquiring their services, developing their skills, motivating them to high levels of performance, and ensuring that they continue to maintain their commitment to the organization are essential to achieve the organizational objectives. Getting and keeping good people is critical to the success of every organization whether profit or non profit, public or private. There is an old saying '*if you think training is expensive., try ignorance*'. A more recent version has a sharper message - '*if i train my staff and they leave? 'to which the answer is 'What if you don't 'train them ... and they stay!' ' In today's competitive world, employer can afford to carry staff who are not efficient. Yet, many organizations still appear reluctant to invest in training the members to be efficient ones. Competent employees do not remain competent forever. Skills deteriorate and can become obsolete. That is why modern organizations spend crores each year on formal training. Intensified competition, technological changes and the search for improved productivity are motivating managements to increase expenditures for training. Today, people at all levels in organizations are involved in formal training. Training is being recognized increasingly as the key to labour markets competing internationally and performing successfully.*

Commercial Banks

Commercial banks are banks which accept deposits from the public and lend them mainly to commerce for short periods with the aim of earning profit. They generally finance trade and commerce with short term loans. They charge high rate of interest from the borrowers but pay much rate of interest to their depositors.

Classification of Commercial Banks

A) Scheduled commercial Banks –Banks which have been included in the second schedule of RBI Act 1934. They are .

1.Public sector Banks : These are those banks in which majority of stake is held by the government Eg.SBI, PNB, Canara Bank Syndicate Bank, Corporation Bank, Indian overseas Bank etc.

2.Private sector Banks – These are the those banks in which majority of stake is held by private individuals Eg. ICICI Bank, HDFC Bank, Axis Bank, Yes bank. Kotak Mahindra Bank etc.

3.Foreign Banks – These are the Banks with Head office outside the country in which they are located Eg. Citi Bank , Standard chartered Bank, Bank of Tokyo Ltd etc.

4.Regional Rural Banks –These are banks which are mainly situated in Rural ,urban semi urban areas Eg. Karnataka Vikas Grameen Bank (KVG) Malaprabha Grameen Bank

,Chaitanya Green bank, Pragati Grameen Bank,Saptagiri Grameen Bank etc

5.Co-operative Banks – These are banks which are provide financial assistance to economically weaker sections of the society. These banks are registered under the co-operative societies Act. Eg Cosmos co-operative bank, District Co-operative banks, New India co-operative Bank etc

B) Non scheduled commercial Banks – Those banks which are not added in the second schedule of RBI Act 1934.

Training and Development

After an employee is selected, placed and introduced, he or she must be provided with training. "Training is the act of increasing the knowledge and skill of an employee for doing a particular job. Training is a short term educational process and utilizing a systematic and organized procedure by which employees learn technical knowledge and skill for a definite purpose. Training is usually considered as "the organized procedure by which people gain knowledge and or skill for a definite purpose"

In other words training improves, changes, moulds the employee's knowledge, skill, behavior, aptitude, and attitude towards the requirements of the job and organization. Training refers to the teaching and learning activities carried on for the primary purpose of helping the members of an organization, to acquire and apply the knowledge, skills, abilities and attitudes needed by a particular job and organization. Thus training bridges the differences between job requirements and employee's present specifications. " Employee training and development is an attempt to improve current or future performance of an employee to perform through learning, usually by changing the employee's attitudes or increasing his or her skills and knowledge". The need for training and development is determined by the employee's performance deficiency, computed as follows: Training and development need = Standard Performance - Actual Performance or Desired Performance. A major purpose of training and development is to remove performance deficiencies, whether current or anticipated inability of an employee to perform at the desired level. Training to improve performance is important to organizations which are rapidly incorporating new technologies to make the current work force more flexible and adaptable

'Training', 'Development' and 'education' are three terms frequently used. On the face of it, there might not appear any difference among them. "In all 'training' there is some 'education' and in all 'education' there is some 'training'. And the two processes cannot be separated from development" Training is a process of learning a sequence of programmed behavior. It is an application of knowledge. It gives people an awareness of the rules and procedures to guide their behavior. It attempts to improve their performance on the current job or prepare them for an intended job, Development is a related process. It covers not only those activities which improve job performance but also those which bring about growth of the personality; it helps individuals in the progress towards maturity and actualization of their potential capacities so that they become not only good employees but better men and women. In organizational terms, it is intended to equip persons for earning promotion and

holding greater responsibility. Training a person for a bigger and higher job is development. And this may well include not only imparting specific skills and knowledge but also inculcating some personality and mental attitudes. In this sense development is not much different from education. Education is the understanding and intervention of knowledge. It does not provide definite answers, but it rather develops logical and rational mind that can determine relationships among pertinent variables and thereby learning the character and having an understanding of basic principles and develop the capacities for analysis, synthesis and objectivity.

Differences between Training and Development - Employee training is different from management development or executive development. "While the former refers to training given to employees in the operational, technical and allied areas, the latter refers to developing an employee in the areas of principles, and techniques of management, administration, *organization* and allied ones".

Difference between Training and Development

Area	Training	Development
Content	Technical skills and knowledge	Managerial Behavioral skills and knowledge
Purpose	Specific and Job related	Conceptual and General Knowledge
Duration	Short term	Long term
For Whom	Technical and non-managerial personnel	Managerial personnel

Objectives of training

1. To retain employees in the banks culture and ethos.
2. To prepare the employees both newly recruited and already employed to meet the present as well as the future requirement of the job and the organization.
3. To train the employees in order to improve the work methods and skills so as to increase quality of output.
4. To prevent obsolescence.
5. To prepare employees for higher level responsibilities.

Types of Training

Following are the training types

1. Induction training 2. Vestibule training 3. Job Instruction training 4. Refresher Training 5. Apprenticeship training

Methods of Training

Methods of training classified into two categories

On the job training

1. Job rotation 2. Coaching 3. Job instruction 4. Committee assignment

Off the job training

1. Case study method 2. Role playing 3. Business games 4. Lecture method 5. Management Education 6. Incident method 7. In Basket method 8. Grid training 9. Simulation 10. Conferences

Computer and web based training / Online Training.

Under this method training is provided by using computers, laptops, Pen drives etc

Review of literature

Geary A. Rummel Determining training needs is basically the process of establishing the critical linkage between performance needs and knowledge and skill requirements. The author reviewed four approaches to determine training needs. Performance analysis, task analysis, competency studies and training need survey..

Charish Dyson and Russell Hobby The way forward competencies matter most presented a model of professional development to assist the evaluation of training programmes for the development of competencies and attempted to draw together two sets of competencies those of leaders and those of their employees.

Ramalall Sunil J examined the strategic role of human resource and its main practices describes the outcomes of respective categories of HR practices explains the critical reasons for measuring HR efforts and proposes a framework for assessing HR. Ultimately organizations will be able to utilize the information to determine how particular HR practices correlate with better business results.

DR. Goel O.P in his study found that training and development efforts in reality helps managers to study the customer needs, buying process and the ever increasing growth potential in the automobile industry. The study has found out some gaps both at sales person or as well as service technician level. Training can help to bridge these skills gaps and improve customer relationship management.

Dr. Prasad R.M has observed that appreciative inquiry in training and development helps to search for best in individuals in an organizations, It finds wide applications in organizational development capacity building and improves product.

Objectives of the study.

- 1.To study the satisfaction level of employees towards training programmes offered by commercial banks.
- 2.To analyze the effectiveness Training and development programmes followed by commercial banks.

Hypotheses

The following hypotheses are framed in this study

1. There is no association between personal profiles and analysis of training programme in Banks.
2. There is no significant relationship among the factors responsible for effectiveness of training programme in banks

Methodology

Source of Data

This is mainly a descriptive study as it requires more of primary data. Primary data were mainly used for analysis.

Method of Data collection

A well structured questionnaire was used to collect the primary data only one type of questionnaire was administered with largest sample population, consist of managerial cadre and clerical staff ,cashier and special assistant for designing effective questionnaire for the study it was felt necessary to test the validity questionnaire. This was done by pilot study consisting of visit to different branches for the selected commercial banks for this study.

The history of Training in Indian Banks

Institutionalized system of training in the banking Industry commenced in India in 1954 with the establishment of Banker's Training college (BTC). The imperial bank of India (State bank of India (SBI) also set up three schools almost the same time to train probationary officers in Calcutta, Bombay and Madras. The focus of training curriculum until early 1960, however was on hard core principles and techniques of banking and target group were entry level officers and branch managers. Nationalization of banks in 1969 ushered the concept of mass banking followed by phenomenal expansion of branches number of employees and diversification of portfolio etc.

The emerging Training Scenario in Banks

The banking system in India currently poised for far reaching changes. The emerging business profile of banks would include non – traditional areas like merchant banking mutual funds newer financial services, personal investment counseling, factoring, venture capital and possibly consultancy and research services. Besides this to be on top banks will have to continuously innovated to find still new areas of operations. If Indian banks will have to launch new activities they will necessarily have to be innovative. The immediate and possible distant changes in the environment will make Indian banking more complex as profile of these banks will undergo major transformations. While they continue to engage themselves in conventional banking they will also enter areas of modern business ventures. These changes will call for new knowledge skill and attitudes and training systems will have to stand up to these challenges.

The APEX bank Training institutions in India

The Reserve bank of India has six training establishments. Three of them mainly college of Agricultural Banking (CAB), Bankers Training college (BTC) and Reserve Bank of India staff college (RBSC) are part of the Reserve Bank. Others are autonomous such as National institute for Bank Management (NIBM), Indira Gandhi Institute for Development Research (IGIDR), Institute for Development and Research in Banking Technology (IDRBT), North Eastern Institute of Bank Management (NEIBM), Indian Institute of Bankers (IIB), Training Institutions of SBI like State Bank staff college Hyderabad, State Bank Academy Goregaun, State Bank institute for information and communication Management Hyderabad, State Bank institute for Rural development Hyderabad.

The Recent Development in the Training Arena

Enhancing training system is very important to keep with changing pace and existing levels of activities and keep pace with technology up gradation. The training system should be able to take care of both quantitative and qualitative aspects of training. Certain major changes required in this regard are for purpose of decentralizing routine skill training activities training system has to ensure that software on different skills training is developed and sufficient facilities provided. Identify the best trainer talents in advanced areas and provide them with sufficient incentives, encourage them to develop other specialists, and also draw their attention to research and in house consulting. Effective linkage between training need assessment and performance appraisal system to be established. Changes are happening regarding the understanding about how work place learning take place. A recent study shows that managers and workers most effectively learn the competencies when the training program in which they participate observe the following fundamental principles of work place learning.

Conclusion

There is enough evidence to show that employees who were trained on a regular basis are the ones who provide a higher quality services to the customers. To develop an integrated and proactive training and development strategy there is requirement of coherent corporate culture rather than ad-hoc programs. In a service oriented industry such as banking, people are among the most important assets and a bank must efficiently manage its employees during every phase of employment in this competitive arena. It is concluded that public sector banks undertake training and development programmes for their employees to increase their efficiency. Banks provide training programmes to enhance their knowledge and skills to satisfy the customers. Growth of banking sector in India is the result of skilled manpower which is the outcome of training and development.

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