

Training and Development of Bank Employees

SUNIL DAS B.

Guest lecturer, Department of Commerce, Ayyankali Memorial Arts & Science Collage,
Kuryottumala, Pathanapuram, Kollam, India. sunildasklm@gmail.com

Abstract - Organizations and individuals should develop and progress simultaneously for their survival and attainment of mutual goals. So every modern management has to develop the organization through human resource development. Employee training is the important sub system of human resource development. Employee training is the important subsystem of human resource development. Employee training is a specialized function and is one of the fundamental operative functions for human resource management.

Keywords: Training, Development, Bank, HRM HRD

I. INTRODUCTION

Modern Banking system is highly dynamic and challenging. The advent of technology has made banking more customer-oriented. It is no exaggeration to say that modern banking is technology-driven. In this context, there is a need for continuous-up-gradation of skill and knowledge in the banking staff.

In Banks, there is a need for the continuous training and development of the staff in the areas of customer care services on operational aspects and behavioral aspects of the business. How are the needs identified? The training needs are assessed through task analysis and performance analysis, which can be conducted through surveys or from the departments, customer complaints, even from the reports on 360 degree feedback system. In case of a large bank, there are two ways of conducting training programs through an established department having a full time HRD functionary. Who oversees all the training and development functions of the banks or through an external trainer co-ordinate by the HRD department. These days bank have recognized the need for training and re- training their staff, in order to develop a competitive edge over their competitors in delivering high quality services to the customers. Traditionally, banks have recruited young school leavers and their initial training was either long apprenticeship or on-the-job or formal training in basic routine operations. Aspirants for the management positions were encouraged to acquire the quality. Professionally by reading for associate-ship of the institute of Bankers or an equivalent qualification. It was advocated that banks should undertake

sound training and development programmes for their employees

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 skills for a definite purpose. Training is usually considered organized procedure by which people gain knowledge or skill for a definite purpose. The aim of any training program is to provide instruction and experience to new employees to help them reach the required level of performance in their job quickly and economically. For the existing staff, training will help develop capabilities to improve their job quickly and economically. For the existing staff, training will help develop capabilities to improve their present jobs, to learn new technologies or procedures and to prepare them to take on increased and higher responsibilities in the future.

Differences between Training and Development

There exists some basic difference between employee training and management development or executive development. While the former refers to training given to employee 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. The basic differences between training and development are given below.

Table1. Training and Development Differences

Area	Training	Development
Content	Technical skill 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

A brief History of Training in Indian Banks

Institutionalized system of training in the banking industry commenced in India in 1954 with the establishment of the 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 the target were entry level officers and branch managers.

II. REVIEW OF LITERATURE

1. Ritambhara Goswami, Manoj Pandey and Anil Vashisht (2017). Analyzed the training and development practices in public banking sector and private banking sector. Training and development is considered to be a key factor in human resource management practices. It enables the employee to develop their skills to get better result in their organizational performance. The study concluded that as compared to the public sector bank, private sector banks are more conscious to provide training to their employees.
2. Thanuja and Suja S Nair (2016) examined the human resource management practices and their outcomes of public sector and private sector banks (SBT and ICICI) in Nellore District. The two major components of HR practices namely Training and Development procedures followed by the employees in the selected bank, were considered HRM activities relating to training and development procedure were found good in case of both the banks.

3. Poonam Madan and Jasleen Kaur Bajwa (2016) conducted an investigation to study the impact of HRM practices on job performance of bank employees. Human resources are the bone of the organization without which accomplishment of objectives is impossible. The study revealed that there is a direct impact of H.R practices on the performance, level of employees. The study highlighted that better training programmes and evaluation of employee performance are the important element of HR practices which are to be given due attention by the banks to satisfy their employees and customers. The study conclude that as banking is an emerging sector necessary changes are required to be made in order to enhance employee satisfaction to perform better.
4. P.Ramakrishna and K. Shrinivasa Rao (2017) made an attempt to review the existing literature on the HRM practices of various Indian banks. It was noted from the discussion that HRM practices in the Indian banking sector have evolved in the past few decades. It is now increasingly perceived that HRM practices play a straight role in the organizational growth and in the context Indian bank initiated various HRM practices to address various. When in the spheres of training and development.
5. Chanderjeet (2017) conducted a study to review the human resources management policies and practices in the public sector banks with special consideration of some important indicators of banking sector such as performance appraisal recruitment and selection, training and development compensation. The research opined that a systematic human resource management policies and practices realizing the need of the banking sector should be developed in Indian Banking sector.

Objectives of the study

1. To identify the training policies and objectives followed by the Banks.
2. To ascertain the training areas and the adequacy of the training infrastructural facilities in the Banks

Methodology of the Study

The study is based on secondary sources of data. It includes available published literature such as book, journals, Unpublished their and relevant websites. The study tries to look at the Human Resource management practice training and development of bank employees.

III. THE EMERGING TRAINING SCENARIO IN BANK

The banking system in India is 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 consultancy and research services. Besides their; to be on the top, bank, will have to continuously innovate to find still new areas of operations. It Indian bank will have to launch new activities; they will necessarily have to innovate. The immediate and the possible distant changes in the environment will made .Indian banking more complex as the profile of their bank will undergo major transactions. 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 system will have to stand up to these challenges .No Indian bank can survive without being up to date with the latest developments. Indications to this effect are visible. If the banks go in for enhanced microelectronic assistance for its multifarious operations, it will definitely call for changes in approaches to training. It is a fact that must significant effect of diversification and technological revolution are in the sphere of skills with new line of business, product diversification and wide spread technology adoptions, the type of personnel required in handling jobs under most complex and competitive, managers will have to match international quality and performance standards.

THE APEX BANK TRAINING INSTITUTIONS IN INDIA

Reserve Bank of India [RBI] has six training establishments. Three of them namely, 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 [N1BM], Indira Gandhi Institute for

Development Research [IG1DR], Institute for Development and Research in Banking Technology [JDRBT], but these are not the only major bank training institutions in the country. Other institutions are The North Eastern Institute of Bank Management [NIEBiM], Indian Institute of Bankers [JIB] and the training institutions of SBI.

COLLEGE OF AGRICULTURAL BANKING (CAB) -

The College of Agricultural Banking was originally set up to impart training in agriculture and rural banking. The college has diversified in to other areas such as the non banking financial sector, human resource management and information technology. In the near future, the college proposes to consolidate these activities. Now a day the college is extending faculty support to the workshops conducted by the reserve bank of India and conducted off-site programmes for state level financial institutions.

BANKERS TRAINING COLLEGE [BTC] - Reserve Bank of India established Bankers Training College in 1954.

It was the first conscious effort ever made by an Indian institution towards systematic training establishments of Bank of England and Central Banks of a few Commonwealth countries.

The college has been endeavoring to impart qualitative professional training for the functionaries of Indian commercial and development banks, foreign banks in India, Reserve Bank of India and certain cadres of Government of India. The college also receives participants from some of the countries in Asia and Africa. Besides, the college facilitates formulation/ implementation of banking policies by acting as a forum for interaction among the top officials of RBI and commercial banks/financial institutions.

RESERVE BANK OF INDIA STAFF COLLEGE [RBSC] -

The Reserve Bank of India Staff College caters primarily to the training and development needs of officers of the RBI. The college is expected to play a crucial role in upgrading the skills of the officers to face the challenges of new tasks and introduction of new technologies. This has assumed an added significance in the context of the large retirements under the Optional Early Retirement Scheme [OERS]. The thrust of the RBSC would continue to be on probationers and middle level management officers.

NATIONAL INSTITUTE FOR BANK MANAGEMENT

[NIBM] – The NIBM was established in early 1969 as a part of the banking policy enunciated in social control to serve as an apex institute of the banking system to initiate and co-ordinate all matters connected with training of bank personnel and relevant research and consultancy in bank management problem. Later on, with the nationalization of 14 commercial banks in 1969, the institute devoted itself in ushering a new era in the development of banking and “it became the ‘think tank’ for the banking industry and leads the industry’s move towards professionalism”. The NIBM has since then focused on management issues and acted as a change agent in many areas of banking. One of these was the human resource management. Personal management was not given the required importance in banks. Formal training was almost absent. Recruitment, transfers and placements were perceived to be the management’s prerogative.

INDIRA GANDHI INSTITUTE FOR DEVELOPMENT RESEARCH [IGIDR]

– The Indira Gandhi Institute of Development Research (IGIDR) is an advanced research institute established by the Reserve Bank of India for carrying out research on development issues from a multi-disciplinary points of views.

The aims and objectives of the institute are to promote and conduct research on development (in its economic, technological, social, political and ecological aspects) from a broad inter – disciplinary perspective; to gain insights into the process of development and alternative policy options and to disseminate the knowledge so gained.

THE NORTH EASTERN INSTITUTE OF BANK MANAGEMENT [NIEBM]

– This institute was established in 1983 and is sponsored by RBI, NABARD and public sector banks like SBI, UCO Bank, United Bank of India, Allahabad Bank and Central Bank of India, Indian Bank and IDBI. The institute is set up to assist the development of banking and financial institutions in the North-Eastern region. It looks after the training and development activities of the banking institutions in the region. It also undertakes research studies and surveys relevant to banking and provides consultancy services.

INDIAN INSTITUTE OF BANKERS [IIB] – The Indian Institute of Bankers was established on 30th April 1928. It is

the premier Banking Educational Institute of India with membership of 750,000 on its rolls as individual and corporate members. The different classes of members are Fellow, Associate, Certified Associate [CAIB], Ordinary Member and Institutional member. It conducts different professional examinations for its members and encourages the study of different aspects of banking.

The objectives behind the setting up of the Indian Institute of Bankers are many including [1] “To encourage the study of theory of Banking and to institute a scheme of examination and to give certificates, scholarship and prizes. [2] To promote information sharing on banking and kindred subjects by training/lecture, discussion, publishing of reading material. [3] To sustain the competence developed by way of collecting and circulating statistics and other information consisting of works on banking, commerce, finance, political economy and kindred subjects in India through Journal, Newsletter, Publications, Seminars, Lecture and Workshop. [4] To facilitate research in banking and course innovation through award of Fellowship/Scholarship. [5] To collaborate and co-ordinate with banks’ own training establishments to ensure healthy correlation between banking education and training. [6] To provide means of social intercourse between persons engaged in or connected with the business of banking in India”.

The Institute has opened four zonal offices and around 100 sub – centers in different parts of the country to provide prompt and better services to its members.

THE TRAINING INSTITUTIONS OF SBI – State Bank of India,

the largest public sector banks in the country has got several personnel training establishments. They include [1] State Bank Staff College, Hyderabad, which focuses on Functional Training. [2] State Bank Academy, which was set up in 1982 and situated in Goregaun which specializes in Training of Middle and Senior Management Personnel. [3] SB Institute for Information and Communication Management, Hyderabad, started in 1987 which is catering to Technology Planning and Execution and [4] SB Institute for Rural Development, Hyderabad which was formed in 1981 with the purpose of Training Personal in Agriculture and Allied activities. The State Bank Staff College at Hyderabad was certified by the Lloyd’s Register Quality Assurance

regarding the Quality Management System Standards. The Quality Management System is applicable to the identification of training needs, identification of inputs, conducting training programmes, evaluation of training programs, feedback processing, research and publications, selection of faculty, training of faculty and maintenance of infrastructure.

“Training in the State Bank is a pro-active, planned and continuous process as an integral part of organization development. It seeks to impart knowledge, improve skills and re-orient attitudes for individual growth and organizational effectiveness”. Table 2 presents the training methodology in the SBI in a brief form.

Table 2- Training Methodology in State Bank of India [SBI]

Training Area		Methodology
1	Knowledge	Lectures, Exercises, Questionnaires, Quiz, group work, Interface/Panel discussions
2	Skills	Case studies, Exercises, Group Work
3	Attitudes	Group work, Role Play, Exercises, Interface/Panel discussions, Customer interaction
4	Training Media	Audio-visual teaching aids and computer aided learning

For selecting, the most suitable faculty talent scouting is done for in-house subject specialists. Selected faculties are put through structured faculty development training to give further needed skills and attitude. In-house and external training is given for advanced specialization in the relative subjects. Usually the selected faculties are senior bankers with varied and rich experience and State Bank faculties are guest speakers at other reputed institutions.

THE RECENT DEVELOPMENTS IN THE TRAINING ARENA – Enhancing training system is very important to keep with changing pace and existing levels of activities and to keep pace with technology up gradation. The training system should be able to take care of both quantitative

qualitative aspects of training. Certain major changes required in this regard are [1] “For the purpose of decentralizing routine skill training activities, training system has to ensure that software on different skills training is developed, and sufficient facilities provided. [2] 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 and [3] Effective linkage between training need assessment and performance appraisal system to be established.

The Narasimham Committee on financial reforms has also enumerated a number of problems related to Human Resource Management [HRM] in banking such as “over manning, lower productivity, indiscipline, restrictive practices, lack of management commitment to training etc. The committee has recommended radical changes in work technology and work culture as well as adoption of forward looking personnel policies, which are seen to be objective and consistent with a satisfying work environment.

IV. CONCLUSION

Training and Development of employees are areas, which have got lot of attention from experts and researchers all over the world because of their importance in direct increase in the profitability of organizations and the development of countries. As far as India is concerned; the liberalization of the economy and the resultant up heels have created unprecedented situation and they call for creative responses especially to training and development of employees in the banking sector.

REFERENCES

[1] Books/Articles
 [2] Dale S Beach “personnel; The management of people at work “ Mac Millen ,1980
 [3] Matoria C.B. Gankar S.V “personnel Management” Himalaya publishing company.
 [4] Subba Rao P.” Essentials of Human Resource Management and industrial Relations” Himalaya publishing company
 [5] Ritambhra Goswami, manoj pandey and Anil vashisht (2017),training and development practices in public and private sector banks, A

comparative study :IJAR11E,VOL-3 issue-3
2017,P P.3807-3816:ISSN(0)-2395-436

- [6] Thanuja and Suja S Nair (2016), A study of HRM practices in public and private banks with special reference to Nellore District, International Journal of management and development studies 5(7). Pp-44-53(2016) ISSN (online)2320-0685.ISSN(print) 2321-1423
- [7] Poonam Madan and Jasleen kaur Bajwa(2016), Human Resource management practices and impact on the job performance of employees with special reference to banking sector, International journal of engineering Technology, management and Applied Science, April2016, Volume 4, issue 4, p.p. 30-34, ISSN2349-4476
- [8] P.Ramakrishna and Dr.K Srinivasa Rao(2017),A Review of Literature on HRM practices in Indian Banking Industry , Imperial journey in Indian Research(IJR); Vol -3,Issue-4,2017. ISSN-2454-1362,pp-2126-2133.
- [9] Chanderjeet (2017), HRM practices in public sector Bank of India , International journal of applied Research 2017 3(7) pp-626-628,ISSN print ;2394-7500, ISSN online 2394-5869

