Chapter III

Profile of the Sample Organisations
Banking a catalyst of modern trade and commerce plays a commendable role in the development of a country. It would not be wrong to mention that modern commerce has become so dependent upon it that any cessation of banking activity even for a day or two would completely paralyze the economic life.

Banking is a system established for a particular reason and purpose. Different systems serve different purposes. As a power house is basically a system for producing power a bank is a system for providing services mainly financial. Banking as a system, is itself a chain of dependent parts, namely the Government, the Central banking system, the commercial banking system, the co-operative banking system and the merchant banking and so on. One particular bank is a sub-system of the whole.

The Babylonians are known to have developed the banking system as early as 2000 B.C. The English banking system began with the help of goldsmiths. The customers used to deposit valuables and funds with them for safe custody. These notes in due course of time became payable to them on demand hence they enjoyed circulation.

During the early times the first public bank was established in 1157—the Bank of Venice. It was not a bank in the modern sense, being an office for the transfer of public debts.

In India as early as Vedic period, the banking existed in most crude form. The Indian banking companies Act, 1949, defines a banking company as a company which transacts the business or banking in any
state of India and the world banking has been defined as “the acceptance” for the purpose of lending or investment of deposits of money from the public repayable on demand or otherwise and withdrawal by cheque, draft, order or otherwise. The role of banking industry in India is to act as a change agent to promote social and economic development.

Keeping in view the role and importance of banking, the researcher selected the banking sector as the field for survey.

In all, the study covers two covers Organisations, one “State Bank of India” representing the public sector commercial banks and the another “The Jammu & Kashmir Bank Ltd.” representing the private sector commercial banks.

The empirical investigation for the study was carried out in different branches of the sample organizations. In all 514 questionnaires were distributed in the two sample organizations. 371 questionnaires were distributed among the Managers and Non Managers of the J & K Bank. A response of 94% was received from the Managers and 73% was received from its Non-Managers. In the State Bank of India a total of 143 questionnaires were distributed among the Managers and Non-Managers and a response rate in case of Managers was 100% and 92% in case of Non Managers (see Table A, Chapter 1st). The employees were selected on the basis of stratified random sampling method.

A brief profile of the sample organisations is given below.

STATE BANK OF INDIA

State Bank of India, the successor to Imperial Bank of India established in 1921 with the amalgamation of three presidency Banks of Bombay, Bengal and Madras. State Bank of India came into being on 01-07-1955, through the State Bank of India Act, 1955. SBI was made to act as the principal agent of the Central Bank of India and to handle banking transactions of state as well of central Governments through out the country.
The main objective behind the establishment of SBI was taking banking to the interior and remote parts of the India. The State Bank of India targeted unbanked centers and opened number of branches. Government subsidized the bank for opening unremunerative branches in non-urban centers. The fallout of events in the early phase of banking in India enabled the SBI to take over. Eight former state-associated banks as its subsidiaries under the SBI (subsidiary Banks) Act 1959; as result of the merger of two of the subsidiaries (SBI of Bikaner and SBI of Jaipur) in 1963, there are now seven subsidiaries. These Associates include state bank of Patiala, State Bank of Saurastra, State Bank of Mysore, State Bank of Hyderabad, State Bank of Travancore, State Bank of Bikaner and Jaipur, State Bank of Indore. The Reserve Bank of India is the largest shareholder of the Bank with 59.73% stockholding followed by 14.1% NRI /FIIS, 11.8% financial institutions, 11.1% individuals and remaining with mutual funds and evaporates). SBI's shares and bonds are listed for trading on all major Indian stock-exchanges. Its stock is listed on the Luxembourg stock exchange.

OVERALL BRANCH POSITION AND EMPLOYEE STRENGTH

SBI has an extensive administrative structure to oversee the large network of branches in India and abroad. Presently it has a network of 9156 branches and over 200000 manpower strength.

BRANCH POSITION AND EMPLOYEE STRENGTH IN THE STATE OF J & K

In the state of J & K it has 115 branches and a total manpower of 1188. In Jammu, the Organisation is having 252 Officers, 374 Non-Managers, 215 Messengers/Sub-Staff and in Kashmir. The corporate centre is in Mumbai and 14 local Head- offices and 57 Zonal offices are located at
important cities spread throughout the country. It has 52 foreign offices in 34 counties across the globe.

COMMENCEMENT OF HRD

The SBI has an unbroken tradition of more than 190 years. And it was only in 1979, that HRD system was introduced through a workshop organized and attended by the Chairman, Managing Director and its subsidiaries. Then HRD at the central office started gaining momentum in the SBI after studying and reorganizing by the Chief General Manager HRD, and Chief Officer. The HRD department of the SBI also started working on training, OD, feedback, counseling and job rotation.

The Bank wanted to create an atmosphere where by individuals get an equal opportunity to grow to their full potential and ability. The new appraisal system was introduced by the bank in the year 1986 just to promote human capabilities and competencies in the organization.

In the present scenario the HRD enables the bank to successfully meet the emerging challenges of the global market by providing appropriate training programmes to develop requisite type of professional skills amongst its employees.

TRAINING AND DEVELOPMENT

Training and development are considered to be growing and changing parameters with the demand of organization. As such training got shaped and reshaped from early sixties till mid seventies. Although HRD as department has started in SBI in 1979, but the sub-system of HRD like T&D existed in the organization before its birth as SBI. It can also be said that training was prevalent in the bank before 1955.

Training got paramount importance in the organization. The bank's focus aimed at imparting, developing, and renewal of capabilities among employees working in the organization. On the job training was provided
by the visiting faculty of training centres and colleges under the Visiting Faculty Scheme. The organization boosted managers to manage proactively with the help of meetings and informal discussions. These resulted in the harmony, cordial relationship and understanding. This sort of informal interaction among various sections of employees also put forth various ideas and problems prevalent in the organization and faced by the employees. These problems were simultaneously resolved viably with the help of collective suggestions.

Training in SBI is proactive, planned and continuous process. It consists an integral part of the Organization Development. It seeks to impart knowledge, improve skills and reorient attitudes for individual growth and organizational effectiveness.

Some of the major banks set-up their training colleges in the fifties and sixties. State Bank of India being a pioneer in this. However, it was the tumultuous years of the post nationalization period that made the bank to give serious thought to training.

State Bank of India provides training in various training centres:-

1. Staff Training Colleges (STC Jammu).
2. State Bank Academy Gurgaon.
4. State Bank Institute of Rural Development.

STATE BANK ACADEMY

The State Bank of Academy (SBA) formerly known as State bank Staff College was set up at Gurgaon, on 18 November 1982. Which was established only after the success of first SBI Staff College in 1961, first of its kind in India. SBA is a key institutional resource and is recognised within the Indian Banking fraternity as a centre for training middle and senior management officials of the state Bank group and other organizations in India and abroad.
It is managed by a Chief General Manager, who acts as a Principal and has a faculty of 24 trained officers (Chief Manager to Dy. General Manager) having rich, operational experience in the State bank group. SBA has imparted training to over 19000 managers during the past five years.

STATE BANK INSTITUTE OF RURAL DEVELOPMENT

The State bank institute of Rural Development, Hyderabad (1981) being a premier Institute of the bank is fully dedicated to train the executives working in large network of branches dealing with rural credit and allied activities. Its mission is to enhance the sensitivity of the bank officials to rural environment, to equip them with the skills and knowledge and to provide the required orientation for the rural banking. The objective is to enable them to creatively convert the scope into innovative schemes through extensions to the process of rural development. The Institute is headed by the principal, who is assisted by the vice-principal, thirteen faculty members and two research officers. The Institute is also offering programmes for other banker's, NGO's and Govt. departments who are involved in Agriculture Banking and rural development.

STATE BANK ACADEMY GURGAON.

In the age of cut throat competition, progress and development was not possible without technology so the bank had to set up an Institute of Information Communication Management (SBIICM) in 1987 in Hyderabad to support smooth transition from manual system to technology driven banking. SBIICM has played a significant role in technology planning and execution in the bank through its continuing efforts in training, R & D and software maintenance. It has revamped the attitude and work culture to enable smooth absorption of technology in
day-to-day banking. It is providing training and preparation of training packages and communications, developing a technical cadre in the main stream of the bank etc.

Since its inception, it has trained about 36,817 employees and about 90,000 more through the satellite centres.

**STAFF TRAINING CENTRES**

Besides these apex institutes the bank has 55 STCs out of which 28 staff training centres have been upgraded as satellite centres to date.

**FACULTY OF STCS**

These STCs are headed by a Principal, of the rank of AGM/Dy. GM. The Principals are assisted by the faculty: the faculty consists of bankers drawn from Operating and Planning wings of the Bank, who return to their banking work after completing their tenure at the training colleges.

**STAFF TRAINING COLLEGE - JAMMU:-**

Staff Training College trains employees according to special training procedures involving behavioral training, simulated training and teamwork training. The training overall develops all the possible skills to enhance motivation and technical skills.

The current data depicts the number of the employees trained during 2004-2005, 2005-2006.
TRAINING IMPARTED BY STC JAMMU
From 1st July 2004-30th June 2005

<table>
<thead>
<tr>
<th>Number of programmes conducted</th>
<th>67</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Officers trained</td>
<td>484</td>
</tr>
<tr>
<td>Number of Clerks trained</td>
<td>399</td>
</tr>
<tr>
<td>Number of Sub-staff trained</td>
<td>239</td>
</tr>
<tr>
<td>Total number of employees trained</td>
<td>1122</td>
</tr>
</tbody>
</table>

TRAINING IMPARTED BY STC JAMMU
From 1st July 2005-30th June 2006

<table>
<thead>
<tr>
<th>Number of programmes conducted</th>
<th>70</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees to be trained</td>
<td>14001</td>
</tr>
</tbody>
</table>

The staff of these apex training institutes consists of top executives and senior managers.

To update their knowledge and awareness pertinent to latest trends and techniques Faculty Development Programmes for trainers are conducted in three phases, wherein behavioral and technical aspects of the trainers are exposed.

The heart of training for all centres follows mainline or central policies, which streamline the functioning of each training Programme. The established policies of SBI that govern training and development are as follows:

TRAINING AND DEVELOPMENT POLICIES
- Each Guard to be trained once in three years.
- Each messenger to be trained once in three years.
- Each Clerk to be trained once in two years.
- Each junior/middle level Officer to be trained once in three years.
- Senior level Officers to be trained once in two years.
- Top executives to be trained once in two years.

Moreover, the top executives can also participate in any training programme of their own choice.

**TRAINING NEEDS ANALYSIS**

In the State Bank of India, analysis of training needs starts from September to October each year. The concerned branch managers assess training needs of employees at branch level to develop them and to solve specific job related problems and requirements. These managers are also intimated through circulars about the training courses to be conducted at the training centres. After analyzing needs, nature and requirements, they recommend employees for training. This recommendation is forwarded to concerned Zonal and Regional managers. The regional managers after receiving various statements from various branch managers prepare a program wise joint statement. Before 31st December the joint statement is forwarded to personnel officer along with the training budget. The personnel Officer prepares a statement on the basis of the information provided by the Regional Manager in that module and forwards the statement to the HRD manager at local Head Office.

In the month of February the local Head office arranges a workshop that is attended by all the heads of Zonal offices, some Regional heads, Personnel Officers and presided over by the Deputy General Manager. Herein training programmes with budgets are thoroughly discussed and finally training Calendar is made. The final schedule of training programme is prepared and intimated to all concerned in the last week of March.
The Jammu and Kashmir Bank

INTRODUCTION

The state of Jammu and Kashmir was dominated by the traditional money lenders. They were carrying all the financial exchange that is lending money, granting loans against properties etc., and that at a very high interest rate till 1930. It became the basic cause for the establishment of “The Jammu & Kashmir Bank”. Gradually it developed and the people cooperated with it due to which it spread its wings in different parts of the State.

The purpose for which the Bank had been promoted by the Jammu and Kashmir State Government was to bolster the state economy with a particular emphasis on developing trade, commerce, industry and agriculture areas which had languished in the absence of the State Bank. Because of the challenging topography of Jammu and Kashmir State and the absence of railheads connecting to the rest of the country prior to the independence, roads transport was the lifetime of the economy.

The Jammu and Kashmir bank became a pioneer in the finance of road transport, horticulture and hotels to promote tourism and to extend financial assistance to the artisans to promote traditional handicrafts as well.

Over the last two decades of turbulence in the state, the Jammu and Kashmir bank sustains economic and business activity as most nationalized banks downed their shutters. Risking its property and staff the Jammu and Kashmir bank kept its branches functional to serve people, to extend banking facilities to government functionaries and also to security agencies stationed in remote places to fight militancy and to maintain law and order. During this difficult period the Jammu and Kashmir bank supported various sponsored programmes of the state and central Government which were aimed at alleviating poverty and
generating self employment opportunities. In the view of the sound financial health, the RBI ranked the Jammu and Kashmir Bank first in their survey in 1997 of major Indian commercial banks the area of financial management. As per the Economic Times Survey, the bank has been ranked as number 6 among the 89 banks studied and considered as emerging leaders for 1998-1999. The bank has been ranked number 2 among the Indian banks as per FEBRIS survey-1998, conducted by the Financial Express (Nov. 1998).

FINANCIAL POSITION

Today the Bank is having Rs 1799.47 crore as Capital and Reserves. It has an aggregate deposit of Rs 23484.64 crore. The total advances of the Bank increased to Rs 14483.11 crore against Rs. 11517.14 crore of the previous year (2004-2005). It has earned a net profit of Rs. 176.84 crore.

LISTING OF SHARES

The Bank has developed conformity of its shares with Stock Exchanges, increasing the number of shares. All these efforts of the Bank have made lives of the people comfortable. During the past few years, the entire trading of the company’s shares was taking place on the NSE and BSE only, who offer investors access to on-line dealing in the company’s shares across the country. In view of the nil trading on Delhi Stock Exchange and Ludhiana Stock Exchange, the shares were delisted from these exchanges and SEBI has mandated the company’s shares for compulsory trading and settlement in electronic form only.

OVERALL BRANCH POSITION

Today the bank is having over 514 branches spread across the length and breadth of the country, 4 Zonal Offices and 1 International Banking Division
OVERALL EMPLOYEE POSITION

The bank has around 3198 official staff, 2277 Non - managerial and 1406 sub-staff.

EMPLOYEE STRENGTH IN THE STATE OF J & K

In the State of J & K, it has manpower of 5271 including 2249 officers, 1872 Non-Managers and 1150 sub-staff.

CUSTOMER SERVICES

The bank has been showing a remarkable improvement in almost every field and the field of customer service is no exception. The organization today is providing number of services to its customers in form of deposits, loan schemes and insurance. The bank is providing customer with a set of deposit schemes-term deposit, saving bank deposit, value added scheme, Gift cheque scheme, various loan schemes-like Housing loans, Car loans and loan against mortgage, shares and bonds and Insurance-General and life. The bank’s other services as Credit Card; ATM Network: Tele-Banking:, Anywhere banking etc. are available anytime, anywhere round the clock.

The bank’s careful attitude and determination to serve its customers better is reflected by the fact that the bank has established customer service cells and Grievance Redressal Centres to seek speedy redressal of customer grievances or complaints.

Training and development is another parameter wherein bank’s commitment to serve is better reflected. Right from the recruitment stage the bank provides various training programmes to its employees to groom their talent and ability, competence and capability, attitude and aptitude to perform well on the job. The job of managing and imparting training and development is undertaken by the department of Personnel and HRD of the bank.
TRAINING AND DEVELOPMENT

Training constitutes an important input for the development of work force of an organization. As the quality of human resource indicates the ability of the bank to deliver value to its customers, emphasis has been given to employee development since the establishment of the organisation.

From the bank’s perspective, training is sought to achieve mainly three objectives- imparting skills necessary to perform the present role effectively and efficiently; preparing employees for future roles; and personality development. Training is imparted at all levels viz., lower (award staff), middle management level (officers) and top level (executives). The bank gives foremost importance to the development of human resources. In order to enhance the knowledge and efficiency of employees, the bank imparts training to the staff from time to time. This has brought about perceivable improvement in their skills and competencies and the behavioral and the attitudinal changes essential for friendly customer service.

A full-fledged department known as P&HRD exists in this organization, which is added at the apex level by senior General Manager. Identification of training requirements and placement of all work force is done by this Department.

TRAINING AND DEVELOPMENT POLICY

The policy regarding Training and Development is to make more and more investments in training and developing employees. Their objective is to improve their organisation technically, humanly and conceptually.

TRAINING NEEDS ANALYSIS

The main focus is on acquiring skills in areas of operations, technical
and allied areas. Development in the areas of self-development which includes programmes on communication skills, effectiveness as managers developing managerial skills, management of human resource, effective baking skills, stress management, customer care, decision making, enhancing behavioural competence, functional skills, conflict management and negotiation and management development for this purpose the concerned branch managers assess training needs of employees at branch level to develop them and to solve specific job related problems and requirements. This is being done by them keeping in view the scheduled training calendar already intimated to them through circulars about the training courses to be conducted at the training centres. The P& HRD department goes through service sheets of employees to know the type of training they have already undergone through.

After analyzing needs, nature and requirements, they recommend employees for training. This recommendation is forwarded to concerned Zonal and Regional managers. The Regional managers after receiving various statements from various branch managers prepare a program wise joint statement and forwards the statement to the HRD manager at local Head Office from there is transferred to HRD manager at Head Office.

ORGANISATION'S OWN STAFF TRAINING CENTRES

The organization has set up its own centres for training their employees. The bank has established its first training centre in 1971 which was accorded the status of Training College in 1981. Soon after it STC Jammu was established in 1976.

STCs generally conduct foundation courses with focus on developing operational skills. There the more emphasis is laid on behavioral modification to provide better customer service.

These STCs are headed by a Principal, of the rank of AGM/Dy. GM.
The Principals are assisted by the faculty: the faculty consists of bankers drawn from Operating and Planning wings of the Bank, who return to their banking work after completing their tenure at the training colleges.

**ORGANISATION'S OWN TECHNOLOGY TRAINING CENTRES**

In order to create awareness among its employees about computer application and train them in computer operations, the bank has established two computer labs, one at Srinagar and another at Jammu, called as Technology Centres. Bank employees belonging to both managerial and non managerial cadre are trained here. For this purpose besides permanent faculty, the computer Engineers from bank’s CPPD (Computer and Planning Department) are being invited. Here the training programmes are usually of short term duration.

To modernise banking operations and deliver value-added services to the customers, the bank continued its focus on information technology and more and more branches under Computerisation Programme. Presently 95% of the bank’s business is done through the latest technology of computers.

**FACULTY OF TRAINING CENTRES**

The faculty of these training institutes comprises of bank officers, employees who have passed professional banking examination. These bankers undergo special training programmes at various centres of excellence in India and develop into effective trainers. Apart from the internal faculty, subject specialists are invited from the reputed Institutes, Organizations and universities to train, interact with the trainees and the main focus is on behavior modification.

In addition to enhance training programmes employees of the bank are deputed to trainings to Training Colleges or Institutes outside the
State. This is being done where the trainees require any specialized training. Sometimes for the convenience of trainees of bank, specialist faculty from NABARD, SIDBI, RBI, etc., are invited for conduct in company training programmes on specialized banking topics.

EXTERNAL TRAINING CENTRES

In order to avail of the latest developments and techniques, officers are Sponsored for training at various centres of excellence eat national levels for advanced and specialized training in various spheres of banking. Every month 60 Officers get training in (NIBSCOM) National Institute of Banking Studies and Corporate Management. It is owned by five members and the J & K bank is one of them. The Bank annually spends Rs 50 lakh on its operational expenditure. The other Institutes where managers are deputed to for training are National Institute of Bank Management (NIBM), Banker’s Training College (BTC), Management Development Institute (MDI), Foreign Exchange Dealers Association of India (FEDAI). Every month 5-6 Officers are deputed to Banker’s Training College.

After receiving the training, the trainees are required to submit a report regarding the training they were sent to, which is already conveyed to them in the ‘Training Call letter’.

SPONSORSHIP OF EMPLOYEES

Sponsorship of employees for different training programmes is done by Personnel and Human Resource Department. This is being done by them keeping in view the schedule of training programmes already framed by the training Colleges.
NO. OF EMPLOYEES TRAINED

During the year 2005-2006, a total number of 3310 employees of the bank were provided training in various fields of banking.