Chapter 5 - Summary of the Findings and Suggestions

The present study - The Training and Development of Bank Employees - A Comparative Study between the New Generation Banks and Public Sector Banks is undertaken to find out the present position of training and development in Indian banks. Based on the findings of the study, suggestions for improvements are made in this chapter, especially in those areas where inadequacies are found. The researcher also suggests some specific areas which require further research.

5.1 The Study in Retrospect

Training is usually considered as the organised procedure by which people learn knowledge or skill for a definite purpose. In other words training improves, changes, moulds the employee’s knowledge, skill, behaviour, aptitude, and attitude towards the requirements of the job and organisation. Training refers to the teaching and learning activities carried on for the primary purpose of helping the members of an organisation to acquire and apply the knowledge, skills, abilities and attitudes necessary for a particular job and organisation. Thus training bridges the differences between job requirements and employee’s present specifications. In the present context the importance of training in organisations has gained tremendous importance.

Significance of the Study - These coming years are going to be very crucial for Indian banking. For, they are expected to be upheaval - ushering. During the next
four to five years, most bank customers are expected to be dealing with their banks sitting within the comforts of their homes.

After nationalization, banks were directed to open branches in hitherto ‘unbanked’ areas and the number of employees in the public sector banks alone grew from 186,041 in 1969 to 8,81,722 as on 31-3-04 even after VRS was implemented in 26 out of 27 Public Sector Banks and more than one lakh staff members were relieved entailing an expenditure of Rs. 11,885 crore. The VRS has created an entirely new situation in Indian banking. When such massive changes take place in business activities and manpower, the training system will find it extremely difficult to cope with the increasing demands.

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 counselling, factoring, venture capital and possibly consultancy and research services. Besides these, to be on the top, banks will have to continuously innovate to find still new areas of operations. The enhanced technological adoption can reduce the number of routine workers at the bottom levels and increase the number of knowledge workers. The new technology will transform the skill structure in banks.

An entirely new skill structure is emerging as a result of technological advancement. These new skills would require new knowledge, new competencies and behavioural modifications resulting in the new profile of the bank employees and in this context the training system will emerge as an important intervention.
All these will demand for a new orientation in bank training. In such a context it is decided to have a detailed study comparing the training and development activities being undertaken in the Public Sector Banks and New Generation Banks with the following objectives.

**The Objectives of the Study**

1. To identify and compare the training policy, philosophy and objectives followed by the Public Sector Banks and New Generation Banks,

2. To evaluate the training needs identification methods practiced by the Public Sector Banks and New Generation Banks,

3. To ascertain and compare the training areas and the adequacy of the training infrastructural facilities in the Public Sector Banks and New Generation Banks,

4. To identify and compare the training evaluation practices in banks and the employee attitudes to training in the Public Sector Banks and New Generation Banks,

5. To evaluate and compare the adequacy of training and the training practices followed in the Public Sector Banks and New Generation Banks,

6. To evaluate and compare the post training follow up steps taken and the effects and benefits of training provided to the employees by the Public Sector Banks and New Generation Banks, and

7. To suggest measures for improving the training and development practices of the Public Sector Banks and New Generation Banks
**Hypothesis** - Hypothesis test begins with an assumption, called hypothesis that we make about a population parameter. In this study the following hypotheses were developed.

**H₀** - There exists no significant difference between the Public Sector Banks and New Generation Banks regarding the training provided to its employees and in its effectiveness.

**H₁** - There exists significant difference between the Public Sector Banks and New Generation Banks regarding the training provided to its employees and in its effectiveness.

For clarity regarding the above aspects the following six hypotheses were developed.

1. Public Sector Banks and New Generation Banks do not differ significantly as far as the training, policy, philosophy and objectives are concerned.
2. Public Sector Banks and New Generation Banks do not have significantly different views as far as the training needs identification methods are concerned.
3. Public Sector Banks and New Generation Banks do not have significant difference in relation to the training areas and as far as the availability of training infrastructural facilities are concerned.
4. Public Sector Banks and New Generation Banks do not vary significantly regarding training evaluation practices and employee attitudes to training.
5. Public Sector Banks and New Generation Banks do not disagree significantly regarding adequacy of training and in the area of training practices.

6. There are no significant differences between the employees of Public Sector Banks and New Generation Banks regarding the post training follow up measures and regarding the effects and benefits of training.

**Population of the Study** - The population of study is the full time employees of the Public Sector and the New Generation Banks in India. It includes the different types of employees in these organizations including clerks and officers but does not include sub staff.

**Sample** - Out of 312 respondents comprised the total sample of the study, 196 were from Public Sector Banks and 116 from New Generation Banks. The respondents belong to four banks each in relation to Public Sector Banks and New Generation Banks. In both categories the four banks which are having the largest number of branches are selected. The respondents are decided on the basis of multistage stratified random sampling method. The sample included both officers and clerical staff in the case of Public Sector Banks but New Generation Banks respondents includes only officers. The sample included only fulltime employees.

**Sample Area** - The sample area is the state of Kerala. The existence of a well-organized and large network of banks and the significant presence of the New Generation banks in Kerala were the reasons for selecting Kerala as the sample area.

**Data Collection** - Detailed Interview Schedules were prepared to collect information from the respondents. Depth interviews were conducted to collect
supplementary information with top officials and training professionals and to verify the study findings.


Most of the questions used rating scales to record the responses. Extensive pilot test was undertaken to validate the interview schedule. The request for explanation, comments and other reactions by the respondents were used to develop the final questionnaire. Both categories of respondents were included in the pilot study. Secondary data were also collected from the available Books, Journals, and Study Reports for supplementing the theoretical framework of the study. Along with Likert type questions, ranking questions are also included in the interview schedule which contained only closed ended questions and detailed attention was given to improve the design of the schedule.

Analysis - The data collected from various sources were analyzed by applying appropriate mathematical and statistical techniques. Along with mean and
standard error analysis, percentage analysis was extensively used. Some of the statistical tests used with the help of SPSS 13.0 were rank correlation, chi-square, reliability test, proportion test, student's t test, F test, one sample t test, independent sample t test, correspondence analysis, multidimensional scaling, analysis of variance [ANOVA], multivariate analysis of variance [MANOVA] and factor analysis.

Interpretation of the data based on the results of the tests formed the basis for formulating the suggestions of the study.

5.2 Findings of the Study


It is found that, in the case of Public Sector Banks, more numbers of women are working. The employees are having more banking experience. They attend more training programs and they are more interested in the bank tests.

Most of the New Generation Banks branches are in urban area, large numbers of management graduates are working in them, their employees are younger, they don't have any clerical staff, and they get more on-line training.
Training Philosophy, Policy and Objectives 4.2.1

The two categories of respondents agree that the bank training should not be a one time affair, but it should be continuous. They don’t think that it is over with one training program. According to the respondents ‘retraining’ is missing’, ‘training is not systematically planned’ but ‘according to the need of the situation’ and through training ‘employees are able to gain expertise only in few banking areas’. The independent sample t test shows that the two categories of respondents do not differ significantly except for ‘training is basically based on the need of the time’.

Training Objectives 4.2.2

a] In the case of the Public Sector Banks the most favoured training objective is ‘to familiarize with new work practices like Computerization etc.’ But for the New Generation Banks it is ‘to equip the staff with more skills to meet future challenges’. The second most preferred training objectives are ‘to equip staff with more skills, to meet future challenges’ in the case of Public Sector Banks and ‘to introduce new products -programs- product orientation’ in the case of New Generation Banks.

In both the categories ‘to equip the staff for promotion’ is the least preferred training objective. The respondents do not think that the training is provided to prepare the employees for promotion. The second most disliked training objective in both categories is ‘to reduce regulation of staff and wastage of time’.

b] The MANOVA test shows that statistically significant differences exist between New Generation Banks and Public Sector Banks regarding training objectives and student’s t test result shows that the differences are in the case of the

c) The study using MDS leads to the following observations. The ‘X’ axis factors can be termed as ‘Learning Factors’ and the ‘Y’ axis factors as ‘Work Ambience Factors’. Even though the graphs show some differences between the two categories of respondents, the basic categories of objectives of training in banks are the same.

**Integration of Training 4.2.3**

A large majority of the respondents believes that there is significant extent of integration between business goals and training objectives. There are no statistically significant differences.

**Manpower Planning System 4.2.4** - A large segment of respondents, 71.86 per cent thinks that comprehensive man power planning system exists in the organisation and here also there are no statistically significant differences.

**Training Needs Identification [TNI] 4.3**

a) The most important Training Needs Identification source in the case of the Public Sector Banks is ‘demands due to the latest trends in banking, E.g. Online Banking, Computerization, etc’. The second most important source is ‘personal development plans’. The least important source for Training Needs Identification for Public Sector Banks is ‘based on the training programs provided by other banks’.
For the New Generation Banks, the most important source is the same as that of the Public Sector Banks i.e. 'demands due to the latest trends in banking, E.g. Online Banking, Computerization, etc'. The second most important source is 'appraisals [by self, peer or co workers, superiors and by experts] and the least source is 'based on the training programs provided by other banks'.

b) From the spider graph it can be clearly understood that some important differences exist between New Generation Banks and Public Sector Banks in connection with the sources used for training needs identification.

c) The MANOVA test clearly shows that there are significant differences between New Generation Banks and Public Sector Banks regarding training objectives.

d) In order to further understand the specific areas in which they differ significantly Levene's Test for Equality of Variances test or popularly student's t test was conducted. The results of the student's t test showed that the New Generation Banks and Public Sector Banks differ in the case of seven aspects. They are [1] 'appraisals [by self, peer or co workers, superiors and by experts]', [2] 'demands due to the latest trends in banking. E.g. Online Banking, computerization, etc', [3] 'customer satisfaction and climate surveys and customer complaints', [4] 'based on pre training tests', [5] 'based on employee suggestions', [6] 'based on the training programs provided by other banks' and [7] 'based on supervisory recommendations'.

e) As per MDS for Public Sector Banks the two major aspects of Training Needs Identification are 'Industry Trends' and 'Occupational Sources' but for the
New Generation Banks they are ‘Systematic and Scientific Studies and Industry Trends’ and ‘Occupational Sources’.


**Training Areas 4.4 -**

**Areas in Which Further Training is Needed 4.4.1 -** There are some differences between the two categories of respondents regarding the order of importance in relation to the aspects in which they need additional training. The lowest importance is given to People/customer relationship skills by both categories of banks and the second most importance is given to Product knowledge. The orders of importance given by the two categories of banks in all the other five aspects are different. Statistically significant differences are there in the case of two out of six aspects viz. product knowledge and skill in using various computer packages as per Independent sample t test.
The two categories of skills to be given importance in bank training are ‘Softskills’ and ‘Technical Skills’ as is clear from MDS. Even though these broad titles are applicable to both categories of banks a detailed examination shows that significant differences are there between the two categories of bankers.

Aspects to be Given Importance in Bank Training 4.4.2 - There is perfect agreement between the Public Sector Banks and New Generation Banks employees regarding the most important, second most important and least important aspects. The most important aspect is ‘Banking Practice’ and the second most important aspect is ‘Product Knowledge’ and the least important aspect to be given importance is ‘Hindi Language Training’.

Benefits Gained through Bank Training 4.4.3 - There is perfect agreement between the two categories of employees regarding the first three important areas which they have benefited. They are [1] Increased motivation and creative positive attitude, [2] Increase of awareness in practical banking and [3] Improved interpersonal relationship. There is a similar kind of agreement regarding the least important benefit i.e. Got a chance to be away from the regular job.

Training Infrastructure 4.5

Sufficiency of Training Infrastructure Facilities 4.5.1 - Almost two third of the employees [64.11] of both Public Sector Banks and New Generation Banks agrees that the training infrastructure facilities in banks are not sufficient and there are no statistically significant differences.

Outsourcing 4.5.2 - The employees of the banks are having a positive
opinion towards the idea of outsourcing of training activities. The mean for the
different variables ranges from 3.10 to 3.82 signifying a position between Neutral
and Agree. In almost all the situations the mean of the New Generation Bank
employees are higher than that of the Public Sector Bank employees representing a
higher degree of favourableness to the concept of outsourcing.

Mean of the summated score is calculated for the five variables. The mean of
the summated score of the five variables is 16.3915 ± 0.2830 for Public Sector Banks
and 18.6814 ± 0.3186 for New Generation Banks. The score of 15 means neutral and
20 Agree. Even though both categories agree, the respondents differ significantly in
their opinion related to outsourcing of training in four out of five aspects according to
the results of the independent sample t test.

Advantages and Disadvantages of Outsourcing of Training 4.5.3 - In the
case of advantages four items were listed and employees were asked to rank them.
Both Public Sector Banks and New Generation Banks employees came out with
exactly the same kind of ranking.

But as far as the disadvantages of outsourcing are concerned, it seems that an
amount of confusion exists in the minds of the bank employees. As far as the second,
third and fourth variables are concerned, there is no difference between the two
categories of banks in their opinion i.e. ‘More expensive as the outside faculty may
be costly’, ‘The external trainers may not be committed to the organization’ and ‘No
mechanism for ensuring the quality of external trainers’. The employees of the two
categories of banks differ in their opinion regarding the most important and least
important disadvantages of outsourcing.

Training Evaluation Practices 4.6

Pre and Post Training Tests for Training Evaluation 4.6.1 - In the case of the Public Sector Banks, about one third are aware about the existence of pre training tests and three fifth of the employees are aware about the existence of post training tests and regarding New Generation Banks an average of two out of three employees are aware about the existence of pre and post training tests.

Appropriate Time for Evaluation 4.6.2 - The employees of both categories of banks agree that ‘during the training’ itself is the most appropriate time for evaluating training programs and ‘immediately after training’ is the second most appropriate time for evaluating training programs but there are differences in the case of third most appropriate time for evaluating training programs. The proportion test results show that in two out of five aspects statistically significant differences exist between the two categories of respondents viz. ‘after the employees reached the work place’ and ‘after a few weeks’.

Factors which Prevents the Effective Evaluation of Training 4.6.3 - An examination was conducted for identifying the factors which prevent the effective evaluation of training. In general, the employees of the banks are having a neutral opinion towards the aspects which are considered to be preventing effective evaluation of training activities. The mean for the different variables ranges from 2.62 to 3.23 signifying a position nearer to Neutral.
In all the situations the mean of the Public Sector Banks employees are lower than that of the New Generation Banks employees representing a lower degree of favourableness to the different variables. The independent sample t test result shows that statistically significant differences exist between the two categories of respondents regarding all the six aspects.

**Employee Attitude towards Training 4.7** - The response of the bank employees towards the statement ‘Employees in your bank are enthusiastic about training’ is analyzed. From the mean figures it can be concluded that New Generation Banks employees are comparatively more enthusiastic about the training provided in the organization. The independent sample t test shows that significant difference exist between the two categories of respondents - 4.7.1.

‘The Most Dissatisfying thing Related to Training in Your Bank’ 4.7.2 - The employees of both Public Sector Banks and New Generation Banks have either disagreed or remained neutral regarding all the variables. Except in the case of ‘The new learning is not retained and retrained’, the disagreement was stronger in the case of Public Sector Banks compared to the New Generation Banks. The strongest disagreement was in the case of ‘The new behaviour is not rewarded but discouraged’ and this is true in the case of both categories of banks and there is no statistically significant difference.

**Reasons for Not Attending Training Programs 4.7.3** - Between the employees of the two categories of banks there is agreement regarding the second, fourth and the least important reason for not attending training programs. It is a very
positive thing to note that both categories have placed ‘Absence of monetary
benefits’ in the last position as they are giving not much importance to it at all.

Adequacy of Training 4.8 - In general, the employees of the banks are
having a neutral opinion to the different variables related to the evaluation of training
activities. The mean for the different variables ranges from 2.74-3.73 signifying a
position close to neutral. The independent sample t test shows that no statistically
significant differences exist between the two categories of respondents - 4.8.1.

When is Training Needed Most 4.8.2 - When is training needed most? In all
the situations except one the mean of the Public Sector Bank employees are higher
than that of New Generation Banks employees. In the case of both Public Sector
Banks and New Generation Banks there is perfect agreement regarding the least
preferred occasions for training. ‘Once in two years’ comes in the last position and
‘A few months after the initial orientation training’ in the second last

As far as the Public Sector Banks employees are concerned the requirement
for training is in the following order for the first three aspects [1] ‘When new jobs
and responsibilities are entrusted’, [2 ] ‘When new products and services are
launched’ and [3] ‘At the time of initial appointment’. As far as the New Generation
Banks are concerned the order is [1] ‘At the time of initial appointment’, [2] ‘When
new jobs and responsibilities are entrusted’ and [3] ‘When new products and services
are launched’. Statistically significant differences do not exist except for one viz.
‘When new jobs and responsibilities are entrusted’.
Training Practices 4.9

Location for Training 4.9.1 - There are some differences between the two categories of respondents in relation to the order of preference connected with location for training. From the independent sample t value it is clear that statistically significant differences exist between the two categories of respondents in all the aspects except one.

Training Mode 4.9.2 - The most preferred and second most preferred training modes for Public Sector Banks and New Generation Banks are [1] On the job training [Learning from doing], and [2] Computer based training. The independent sample results show that regarding three aspects, significant differences exist between the two categories of respondents - 4.9.2.1.

Encouragement to Self Learning 4.9.2.2 - The mean of the response to the issue of encouragement to self learning is higher in the case of the New Generation Banks compared to the Public Sector Banks. Even though both categories of employees are having a positive opinion regarding the encouragement to self learning, the difference in the response is statistically significant.

Usually Used Training Methods 4.9.3 - The respondents were asked to list all the training methods used in banks. Except for the second, third and fourth positions the training methods are following exactly the same pattern of importance in both categories of banks. Lecture continues to be the most favourite training methodology for the bank trainers. As per the proportion test, there are significant differences in relation to three items viz. [1] Lecture [2] Computer Based Training
and [3] Online training. The Public Sector Banks and New Generation Banks respondents agree that 'the study materials used for bank training are of inadequate standard' and there is no significant difference in their opinion.

**Innovations and Improvement in Bank Training 4.9.4** - For Public Sector Banks the most important innovation is regarding 'Use of modern Training Aids' and the 'Development of Computer Based Training Methods'. For New Generation Banks the most important improvement and innovation took place in the field of training is the 'use of modern training aids' and the second most important thing is the 'change from lecture to participatory methods' of training. But the results of test of proportions show that, regarding four out of five aspects, there exist statistically significant differences between the two categories of respondents.

**Faculty for Training 4.9.5** - In the case of both Public Sector Banks and New Generation Banks, the respondents state that the trainers are professional and competent. The employees of both Public Sector Banks and New Generation Banks are generally happy with the faculty for training. In comparison the New Generation Banks staff are more satisfied with the training faculty they are having but the difference in satisfaction is not statistically significant **4.9.5.1**.

**Factors Contributing to Faculty Competence 4.9.5.2** - The factors which increase the trainer effectiveness according to Public Sector Banks and New Generation Banks respondents respectively are identified. It is interesting to note that, except in two aspects the mean of the New Generation Banks is higher than that of Public Sector Banks. The two aspects in which the Public Sector Banks are having
higher means are [1] Technological competence - the ability to use modern training aids [2] Skill in using various computer packages. The independent sample t test result shows that in the case of three aspects statistically significant differences exist between the two categories of respondents. They are [1] Technology - the ability to use modern training aids [2] Skill in using various computer packages and [3] International exposure and experience in banking.

Selection of Trainees for Training 4.9.6 - The information shows that in both categories of banks the employees are not happy with the selection method for training 4.9.6.1.

In the case of both categories of banks the employees think that there exists discrimination in the selection of employees for training 4.9.6.2.

Not only that the employees are dissatisfied with the selection method, they do believe that there is discrimination in the selection of employees for training. This should be seen in the context that generally the employees are reluctant in expressing negative views of their organisation. Regarding this issue the mean of the New Generation Banks is slightly higher than that of the Public Sector Banks. The independent sample t test showed that respondents of the two categories are similar in their opinion.

Post Training Follow up 4.10 - What are the different post training steps to be taken for training effectiveness? The highest mean in the case of Public Sector Banks is regarding ‘Sufficient opportunities should be available to use the new learning’ and lowest in the case of ‘the immediate supervisor has got a very
important role in training follow-up'. For the New Generation Banks the highest mean is in the case of 'Proper placement after training is essential for the effective use of the new learning' and the lowest mean is in the case of 'the immediate supervisor has got a very important role in training follow-up. The student's t test results reveal that statistically significant difference exist between the respondents of the two categories of banks only in the case of two out of five aspects.

**Effect and Benefits of Training 4.11** - Regarding the effect of training on functional areas except regarding one aspect, the mean of the Public Sector Banks is higher than that of New Generation Banks. Compared to the New Generation Banks the Public Sector Banks employees have only lesser appreciation to the fact that training may have positively influenced customer satisfaction. It is interesting to note that, as far as this aspect is concerned both categories of employees have given a response nearer to neutral. Regarding the aspect 'training equips to meet competition' both categories are having exactly the same opinion as their means are the same. The two aspects which have got the highest means in both categories of banks are 'The training given to you has helped you to perform better in the job' and 'Training to the staff has helped in improving the work atmosphere in your bank'. The independent sample t test result shows that there is no statistically significant difference between the two categories of banks regarding the effect of training on functional areas.

**Favourable Factors for Effective Training 4.12**

a) The mean and standard error for the New Generation Banks and Public Sector Banks are calculated. In the case of Public Sector Banks, the most favoured
factor is ‘adequate importance is given in the organization for training’ but for the New Generation Banks the most favoured factor is ‘continuity - Training is regarded as a continuous operation’.

In both categories ‘Linking promotion of the employee to the training received’ is the least preferred aspect favourable for training.

b] The spider graph line is crossing each other in several points bringing out the different patterns of thinking of the two categories of respondents.

c] The MANOVA test shows that there are significant differences between New Generation Banks and Public Sector Banks regarding the factors supporting effective training.

d] In order to further understand the specific areas in which they differ significantly, Levene’s Test for Equality of Variances test or popularly student’s t test was conducted. The results of the student’s t test showed that the New Generation Banks and Public Sector Banks differ in the case of four aspects. They are [1] ‘Identifying the Right People to be Trained’ [2] ‘Having an Effective Evaluation System to Measure Training Effectiveness’, [3] ‘Continuity - Training is Regarded as a Continuous Operation’ and [4] ‘Linking Promotion of the Employee to the Training Received’.

Administration’. The differences in the view points of the two categories of respondents are explicit in the graph.


### 5.3 Suggestions from the Study

1. The situation that the number of women working in the New Generation Banks is less compared to Public Sector Banks is an issue which needs much attention. The reasons for this will have to be identified.

2. There is significant amount of differences between the two categories of respondents regarding education level. The difference in education level may create problems in absorbing skills relevant in the new phase of banking.

3. Most of the branches of the New Generation Banks are in the urban areas. The Public Sector Banks will have the advantage of making use of the resurgence in
the Indian villages; the New Generation Banks are in a disadvantageous position regarding that.

4. The Public Sector Banks are having the advantage of age that their employees are older compared to New Generation Banks.

5. Strategic interventions would be needed to convert the strength of longer banking experience to an opportunity for Public Sector Banks. The New Generation Banks employees are having only shorter experience in banking matters.

6. The effect of the absence of having clerical staff in the New Generation Banks is something, which needs detailed examination. The effect of outsourcing, restructuring of jobs, automation of the job through core banking etc. are some of the aspects to be examined.

7. Both categories of banks should develop and use more of online training to reduce time and cost and increase reach and speed of training to its employees.

8. The public who deals with different banks would have benefited if the banks' were able to come to a consensus regarding the different job titles.

9. A revamping of the existing bank tests is to be undertaken for making it relevant to the emerging situation in the banking sector.

**Training Policy 4.2.1**

10. The banks should develop detailed and relevant training policies. The training programs should be systematically planned so that the employees are exposed to all the necessary areas related to banking. Separate plans based on the
requirement of each and every individual has to be developed. Sufficient follow-up training, re-training has to be provided.

**Training Objectives 4.2.2**

11. There exist significant differences between the Public Sector Banks and New Generation Banks regarding the training objectives followed in their organisations. Either the training system may have conflicting objectives or there exists confusion among the beneficiaries of training regarding the training objectives followed in the organisation. In order to gain greater benefit from training, it is important that the beneficiaries of training should have clear understanding about the objectives of training. The HRD of banks will have to take steps for that. While developing the training objectives of the organisation, it is important that the long term purposes are given due importance.

**Integration of Training with Goals and Mission 4.2.3**

12. Based on the perception of the employees, there exists a significant extent of integration of training with the goals and objectives of the organisation. This is one aspect which needs further examination.

**Manpower Planning System 4.2.4**

13. The existence of manpower planning system will ensure that relevant training is provided to each and every individual employee. Both Public Sector Banks and New Generation Banks will have to go a long distance for the purpose of developing individualised training which will address the unique requirements of the employees.
Training Needs Identification 4.3

14. Training Need Identification is one of the most important initial steps as far as any training program is concerned. The different statistical tests conducted in connection with Training Needs Identification related to Public Sector Banks and New Generation Banks show that statistically significant differences exist between the two categories of bank employees. The analysis of mean, preparation of spider graph, The MDS, MANOVA, F test, student’s t test and factor analysis brought out the differences between the two categories of banks. Hence it is important for the HRD departments of banks to make sure that appropriate steps are taken for improving the Training Needs Identification.

Training Areas 4.4

15. Both categories of bank employees agree that additional training in ‘people/customer relationship skills’ is the least needed area of training. But in the changed banking environment this is one area which calls for paramount importance. In the case of New Generation Banks in the training process, such a focus is already there and additional training may not be needed. But in the case of Public Sector Banks, an examination is needed to check whether such a focus exists or whether there is any lapse in realising the importance of customer focus.

16. The employees opine that the two important aspects to be given more importance in bank training are ‘Banking Practice’ and ‘Product Knowledge’. It is a positive thing to note that the employees are aware of this requirement and they want
to learn more. The HRD should take care in utilising this positive attitude of the bank staff.

17. The correspondence table shows that there is some confusion in the minds of the employees regarding the benefits which they have gained through training though not in the case of the first three aspects. Hence it falls upon the training personnel to make sure that the trainees are clear about the benefits which they gain through training too. Clarity in objectives will contribute to achieve the benefits.

**Training Infrastructure Facilities 4.5**

18. The employees are not much satisfied with the training infrastructural facilities the banks are having. It may need further investigation to specifically identify the requirements which they are looking for. Necessary action in this area will have to be initiated by the training departments of banks.

19. Generally the bank staff is favourable to the concept of outsourcing in the area of training. The bank managements are in a position to make use of this favourable attitude to further improvement of the training function.

20. The kind of agreement which is seen in the case of ranking the advantages of outsourcing is not there as far as the disadvantages are concerned. The employees may not be having negative experiences related to outsourcing. This opportunity can be utilized for the purpose of further improvement of the training function.

**Training Evaluation Practices in Banks 4.6**

21. A significant portion of the employees is not sure whether post training tests are being conducted in the bank training system for training evaluation. This
absence in clarity is pointing to the fact that it may not be a predominant practice. Thus it becomes a necessity on the part of the banks to improve the training evaluation function.

22. In the case of both the categories of banks, the employees believe that evaluation during and immediately after training are the most appropriate occasions. But the literature is clear that this kind of evaluation addresses only the primary level. It also points to the serious situation of absence of effective evaluation of training in banks or the employees are not having much practical experience related to that. The HRD of banks will have to take steps to correct this situation.

Attitude to Training 4.7

23. The level of employee motivation affects the effectiveness of training. The higher the employee motivation the greater is the chance to learn and apply the new knowledge on the job. It is found that New Generation Banks employees are more enthusiastic about training. The reasons for such an interest are to be identified. It will help the Public Sector Banks to build more interest among the employees in relation to training.

24. The employees of both categories of banks do not consider that the training provided to them is totally inadequate. When the researcher placed before them a few negative elements in relation to the training system, they did not fully disagree with that also. The training authorities in the banks can be happy as their efforts have not gone worthless. But the aspect that the employees did not disagree with that shows there is tremendous scope for improvement. Hence it is important for
the training authorities to take steps to improve the situation related to the following aspects [1] Inability to use the new knowledge [2] Only theoretical - semantic training takes place [not practical] [3] The new learning is not retained and retrained [4] The new behaviour is not rewarded but discouraged [5] Feels that the training is inadequate to meet the future challenges.

25. The second most important reason for Public Sector Banks and New Generation Banks employees for not attending training programs is ‘the superior’s reluctance to relieving from the duty’ and fourth one is that the ‘the feeling that the learning cannot be sustained’. In both the cases the organisation is in a position to take steps to bring changes. Thus even in changing the factors which prevent the employees from participating in training programs, the banking organisations and HRD has have a greater role to play.

Adequacy of Training 4.8

26. Respondents expressed an opinion close to neutral in relation to training frequency. It may be that the employees are not in a position to give a clear response to that. Hence it falls upon the banks to conduct a detailed study in relation to the training frequency. Similarly in the case of skill gap also, only the higher level officers may be in a position to give an opinion. Compared to training frequency the means are higher in the case of ‘skill gap’ shows that the employees are having some more clarity regarding this.

27. The response to the issue that ‘trainings are in appropriate occasions’ falls between ‘neutral’ and ‘agree’. The employees are not much disappointed but at the
same time not very happy regarding the occasions in which training is provided. Hence there is scope for the organisation to improve the satisfaction in these areas.

28. The two categories of employees differ significantly regarding the occasions in which training should be provided. This should be seen in the context of the average age and experience level of the employees in the two categories of banks. In the New Generation Banks the employees are younger and as they don’t have much experiences they feel that 'trainings at the time of initial appointment' is more important compared to others. Thus the conclusion is that the requirements of the employees will vary with the experience level of the employees in the banking field and the banking and the training authorities should be aware of this aspect. The training system should be flexible enough to adapt to the changing requirements of the employees, it should have several plans to cater to the different levels of the employees.

**Training Location 4.9.1**

29. Both categories of banks give top most importance to ‘on the job’ training. The work place itself is the most preferred training location. It means that the training innovations like training squads, onsite squads etc. have got much relevance to the training in the banks in the future.

30. The least preferred training location for the Public Sector Banks respondents is ‘outside the office locations [hotels etc]. This is to be seen in the background of the past experience. As the Public Sector Banks have invested a lot in building training infrastructural facilities, all the training programs may have been
taking place in own facilities. Such a system for the Public Sector Banks may have to be changed to make the training faster and speedier and to make it more responsive to the changing situations.

**Training Mode 4.9.2**

31. The two most preferred training modes for the two categories of employees are [1] On-The - Job training and [2] Computer Based Training. The two least preferred training modes are also common to the two categories of banks, viz., [1] Bank Tests and [2] Correspondence training. When the training organisations in banks develop training proposals, this information is something which will have to be given very much importance.

**Self Learning 4.9.2.1**

32. Self learning is considered to be one of the best modes of training as it presupposes trainee interest which is a significant ingredient in training effectiveness. At the same time employees have already expressed their disinterestedness for bank tests and correspondence training. Thus it falls upon the bank training personnel to look for innovative training modes which encourage self learning but at the same time are not having the disadvantages of bank test and correspondence training.

**Training Methods 4.9.3**

33. As far as the uses of training methods are concerned ‘lecture’ is the most prominent one. It may be because of the ease with which it can be used. ‘Training video films’ and ‘Online Training’ are far behind in their popularity. There is only little chance that it remains so because the bank employees prefer it to be so. It is for
the bank training system to develop appropriate video films and Online training material for making the training more effective.

**Innovations and Improvements in Bank Training 4.9.4**

34. The discussion about innovations and improvements in bank training brings about some disturbing facts. The two categories of respondents are unanimous in their opinion that the most important innovation/improvement in bank training is the ‘Use of Modern Training Aids’. But the development of ‘Relevant Games’ and absence of ‘Published article related to bank training’ are lagging behind. The publishing of articles could have been considered as a sign of development and improvisation is taking place in different banking areas. The bank managements will have to take in to consideration such a situation seriously. Another reason may be the developed separation of the bank staff from the training faculty. Due to such separation the bank staff may not be in touch with the articles being published that they don’t have any interest in that. Both scenarios are not good for the healthy development of the banking discipline in the country.

**Faculty for Training 4.9.5**

35. The employees of both categories of banks are satisfied with their trainers. They consider their trainers as professional and competent. The banks will have to continue to take care in identifying the right people to be the faculty in bank training institutions.

36. No doubt, a bank trainer should have sufficient experience in banking and training. Both categories of respondents are unanimous about that. The Public Sector
Banks put technological things in the second and third positions but New Generation Banks put Softskills in that place. This difference in preference can be easily understood if we look at the age and education profile of the two categories of employees. The lessons for the bank managements and training professionals are very clear that it is not possible to have a ‘cure for all’, and they have to be always vigilant to the needs of the group while designing the training programs.

Selection of Trainees for Selection 4.9.6

37. There is dissatisfaction among the bank employees regarding the selection method of training. Not only that there is dissatisfaction, they think that there is discrimination in the selection of employees for training. This should be seen in the context that generally the employees are reluctant to express their negative views of their own organisations and they have given very positive opinion about the professionalism and competence of their faculty. Hence it becomes very much important for the HRD to develop a more fair and transparent system for selection of employees for training.

Post Training Follow-up 4.10

38. Post training follow-up is critical for the success of any training. The Public Sector Banks and New Generation Banks respondents have identified the two most important aspects which will increase the post training effectiveness. They are [1] ‘Proper placement after training is essential for the effective use of the new learning’ and [2] ‘sufficient opportunities should be available to use the new
learning’. The HRD of banks will have to take steps to implement these suggestions for improving the training effectiveness.

**Effect and Benefits of Training 4.11**

39. Employees of Public Sector Banks and New Generation Banks agree that training has helped in meeting the competition in the market, improving the quality of performance of the employees and the employees are able to use the skills gained through training in the work place. It has positively affected the profitability of the banks. The employees are able to perform better on the job and it has improved the work atmosphere in banks. But the employees also say, on the basis of their perception that the training has not helped in improving the customer satisfaction. Only with further study and examination the exact reasons for the observation can be identified. Banks in general and HRD in particular will have to give due attention to this issue.

**Factors Favourable for Effective Training 4.12**

40. What are the factors which favour effective training? The Public Sector Banks employees feel that ‘adequate importance given in the organisation for training’ will be the factor which will facilitate effective training. But New Generation Banks employees believe that ‘Continuity - Training to be regarded as a continuous operation’ as the most important aspect. Thus there are significant differences between the two categories of employees regarding their perceptions. The MANOVA, student’s t test, F test, MDS, Factor Analysis etc., also brought out their differences in the opinion of the two categories of bank employees. Based on his
information the HRD of banks will have to take corrective action for the purpose of improving training effectiveness.

5.4 Recommendations

1. The possibility of linking of training to the career development plans of each and every individual employee needs to be looked into.

2. A detailed longitudinal study which covers the entire banking industry under the auspices of the Reserve Bank of India [RBI] regarding training and development will be useful as detailed information can be made available. This study will be able to provide authentic information regarding the different things happening at present.

3. Government should give more attention and support to the training of employees in all the different kinds of organisations taking into consideration the larger interests of the nation.

4. For the purpose of making sure that the training expenditure results in value addition, the system of training audits have to be instituted.

5.5 Limitations of the Study

1. The present study is entirely based on the perceptions of the employees in which the data is collected using an interview schedule. It is important to remember that reactionaries are subjective self-reporting instruments. They indicate trainees’ perceptions, opinions, feelings, and attitudes to a training event. They cannot measure learning, changes in attitudes or beliefs, transfer of knowledge and skills, and the organizational impact of training.
2. The focus of the study was on the training aspect of the employees in banks and not much on the development aspect.

3. The employees of the banks are so faithful to their organizations that they do not want to say negatives of their organizations, especially in the case of Public Sector Banks. They may have affected the efficacy of the data collected to a certain extent.

4. The rules for appointment of personnel in the public sector and private sector differ. This may have some adverse effects on the employee productivity figures for Public Sector Banks and this may make the direct comparison of the two categories of banks less useful.

5.6 Scope for Further Research

1. The effect and impact of target based management not only in sales and marketing but also in operation in the case of the New Generation Banks is claimed to be the reason for efficiency and profitability of the New Banks. The relevance and usefulness of target based management needs further research.

2. As post training support from the superiors is increasingly identified as one of the factors which increase training effectiveness, the immediate boss being in charge of the training function of the employees in some of the new banks needs detailed study.

3. More in-depth study and research is needed to examine the relative use of external training and on the job training especially in areas of service industries like banking.

4. The present study is conducted in the state of Kerala only. A systematic and detailed study and evaluation of training and development efforts in banks in the national level will be of very much useful.
5. The issue of separating product training from other areas of training needs thorough examination.

Training on its own cannot solve current ills of the banking sector or that of the society. However, it is a critical and urgently needed instrument of active labour market policy and can be implemented in such a way that, through collective effort, it is possible to ensure that competitiveness and growth are achieved in an equitable society.