Human Resources Development in Banks.

In the preceding chapter an attempt was made to present the development, growth and diversification of the banking sector in India. In fact the development in banking in the post independence era in India is quite fascinating. In the present set up of the banking sector of India, the human resource development has become one of the important functions, which deserves immediate attention. As such the present chapter has been devoted to the study of Human Resources Development in Banks.

INTRODUCTION

An organisation, whether a business or industrial enterprise or service industry, needs various factors of production. The success or failure of an organisation depends on an effective combination of these factors. Of these, however, the management of human resources is very important and challenging task. Rarely has the management of employees received more attention than it does currently. A new era of human resource development practices and philosophy is emerging and assuming increasing significance in modern organisation.

The success of any company is merely the sum total of the success of its people. For generations, the prevailing Work mode has been that managers make plans and give orders and that workers execute them and produce. No more. The most profound dimension of the new human resource philosophy is the willingness of management to give employees at every level a greater voice in the company’s operations. In almost every case, an increase in employee participation ultimately fosters stronger employee commitment to the company and to its business objective.

In the field of Management Science, 1980's can be called as a decade of computer and human resource development. It is well recognised everywhere that human competency development is an essential prerequisite for any growth or development effort. Research, experimentation and experience in the field
of HRD has grown enormously in the last decade. Many organisations have set up new departments known as "HRD departments" which symbolises the recognition of importance of people's competency development.

Human Resources Development is a strategic approach to the acquisition, motivation, development and management of the organisations human resources. It is a specialised field that attempts to develop programmes, policies and activities to promote the satisfaction of both individual and organisational goals, needs and objectives. It is devoted to shaping an appropriate corporate culture, and introducing programmes which reflect and support the care values of the enterprise and ensure its success.

**CONCEPT**

Organisation to be dynamic should possess dynamic human resources. Human resources to be dynamic acquire capabilities continuously, adopt the values and beliefs and aptitude in accordance with the changing requirements of the organisation. Similarly, when employees use their initiative, take risks, experiment, innovate and make things happen, the organisation is said to have an enabling culture. The competent human resources can be dynamic in an enabling culture. Thus, the organisation can develop, change and excel, only if it possesses developed human resources. Thus, HRD plays significant role in making the human resources vital, useful and purposeful.

HRD is a total concept emphasising the need to develop the human resources in terms of their knowledge, skills and attitudes. Knowledge and skill can be improved by training, but change of attitude is very difficult to bring about. Like change in any other area, change in attitude is a continuous process and takes a long time and patience. If training is the soul of HRD, positive attitude is the soul of industrial relations(IR). Some aspects of HRD practices such as human resources planning, recruitment, performance appraisal, employee counselling have an impact on industrial relations, directly or indirectly. Good HRD policies and practices certainly have a good impact on industrial relations.
Pareek (1970) found the following sub-systems necessary for introducing HRD in the organisation:

1. Planning and administration of human resources. This includes four main aspects, (a) manpower planning (b) recruitment, (c) promotion, and (d) career planning.

2. The second HRD system is about job and salary administration like performance appraisal, job analysis, and potential appraisal.

3. The third aspect of HRD is mainly confined to training, performance feedback, counselling and organisational development.

4. The last system relates to the industrial relations and welfare of workers.

HRD is mainly concerned with developing the skill, knowledge and competencies of people and it is a people-oriented concept. When we call it as a people-oriented concept it means that people be developed in the larger or industrial context or in the smaller organisational context.

The concept of HRD is not yet well conceived by various authors though they have defined the term from their approach as it is of recent origin and still in the conceptualising stage. HRD is not training and development. But, many personnel managers and organisations view HRD synonymous to training and development. Many organisations in the country renamed their training department as HRD department.

Though the origin of HRD is not very old, the concept was formally introduced by Leonard Nadler in 1969 in a conference organised by the American Society for Training and Development. Leonard Nadler defines HRD as "those learning experiences which are organised, for a specific time, and designed to bring about the possibility of behavioural change".

HRD is a newly adopted and a very popular approach in the modern Industrial World. It is expected to play a very important role in the corporate strategic planning. It is a continuous learning process and not merely a set of mechanisms or techniques.
The techniques such as organisation development, training and development, performance appraisal and career advancement etc. are used to initiate, facilitate and promote this process in a continuous way. However, these mechanisms have not a universal application. The mechanisms may need to be examined, reviewed, reoriented and recast to see whether they are promoting or hindering the process. These mechanisms are inter-linked and form a new system reinforcing each other. Thus, HRD is a unique, open and interrelated approach.

In the opinion of some management thinkers, Japan is the first country to stress and use HRD practices. ‘Better people’ not merely better technology is the surest way to a better society is the most popular belief in Japan.⁴

According to Prof. Udai Pareek, as far as India is concerned the term HRD was introduced for the first time in the State Bank of India in 1972. It is believed that the concept of HRD has not been imported in India. It is philosophical value concept developed by Dr. Udai Pareek and Dr. T.V. Rao at the Indian Institute of Management, Ahmedabad.⁵ By the late seventies this professional outlook on HRD spread to a few other public sector organisations such as Bharat Heavy Electricals, Steel Authority of India, Ltd. Maruti Udog Ltd. Indian Airlines and Air India., Larson & Turbo Ltd., and Tisco are the heroes of HRD application in the private sector organisations in India.

T. Venkateswara Rao worked extensively on HRD. He defines HRD in the organisational context as, "a process by which the employees of an organisation are helped in a continuous, planned way to:

a) Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles:

b) Develop their general capabilities as individuals and discover and exploit their own inner potentials for their own and/or organisational development purposes;

c) Develop an organisational culture in which superior-subordinate relationship team work and collaboration among subunits are strong and contribute
to the professional well-being, motivation and pride of employees. 

HRD from organisational point of view is a process in which the employees of an organisation are helped/motivated to acquire and develop technical, managerial and behavioural knowledge, skills and abilities, and mould the values, benefits, attitudes necessary to perform present and future roles by realising highest human potential with a view to contribute positively to the organisational, group, individual and social goals.

A comparative analysis of these definitions shows that the third definition seems to be comprehensive and elaborate as it deals with the developmental aspects of all the components of human resources. The analysis of third definition further shows that there are three aspects, viz.; (1) Employees of an organisation are helped/motivated; (2) Acquire, develop and mould various aspects of human resources; and (3) contribute to the organisational, group, individual and social goals. The first aspect deals with helping and motivating factors of HRD.

HUMAN RESOURCES DEVELOPMENT FRAME WORK

The Indian economy has become an integral part of the global economy. Total quality management, latest technology, sophisticated equipment, most up-to-date know-how, high skill, cost consciousness, production with less cost, and customers satisfaction have become the hallmark for us to compete with others. Recent economic liberalisations announced by government of India tend towards market economy and started creating more dynamic environment in India than ever before. HRD plays a significant and crucial role in market economies under dynamic environments. Human Resources Development should be effective and efficient. HRD can not be effective for the candidates who do not possess Potentials to perform present and future roles in organisations in dynamic environment. HRD to be effective should essentially have a strong base of human resources planning, recruitment and selection based on effective HRD requirements.
The framework of HRD can be explained with the help of the following figurative description:

- Analysis of Role as:
  - Individuals
  - Members of teams
  - Members of organisations

- Forecasting manpower needs based on HRD
- Requirement and selection based on HRD

- Potential Appraisal
  - Performance Appraisal

- Employees' present capabilities and potentialities

- Capabilities to be acquired

- Inputs, skills, knowledge, behaviour, values etc.

[Source: Dr. P. Subha Roa, Essential of Human Resource Management & Industrial Relations]

As mentioned in the above figurative statement, base factors enable the organisation to develop its human resources efficiently. Human resources planning for human resource development should plan for human resource not only for the present and future job, but also roles. Further, human resource planning should plan for potentialities. Recruitment for human resources development refers to searching for prospective employees having skills, talents and potentials to carry out the present and future jobs and also for development and motivate them.
to apply for jobs. Selection for human resource development refers to designing the selection techniques like written test, selection test, interview etc., fit for selecting the candidates suitable for further development. These base factors influence the analysis of roles of employees as individual, as members of team and organisation, along with the everchanging environment.

Analysis of roles of employees as individual, members of team, and members of organisation help to know the employees' present capabilities and potentials. Further performance appraisal and potential appraisal techniques help to evaluate the present capabilities, performance and potential accurately.

HRD is a total concept emphasising the need to develop the human resources in terms of their knowledge, skills and attitudes. Knowledge and skill can be improved by training, but change of attitude is very difficult to bring about. Like change in any other area, change in attitude is a continuous process and takes a long time and patience.

The HRD helps the groups in the form of increase in co-operation, increase in collaboration and team effectiveness. Further, it helps the society in the form of developing human resources and increased contribution of human resources to the society.

A well-knit, well coordinated, comprehensive and integrated strategy of human resources development planning must include long-term objectives and tools for the development of human potentials, knowledge and skills. The development of human potentials, knowledge and skills through education, training and management development is need of the hour. Some of the main goals of HRD are:

a) To examine the utilization of human resources for the achievement of individual and organisational goals;

b) To provide an opportunity and comprehensive framework for the development of human resources in an organisation for full expression of their talent and potentials;

c) To locate, ensure, recognise and develop the enabling capabilities of the
employees in the organisation in relation to their present and potential roles;

d) To develop the constructive mind and an overall personality of the employees;
e) To humanize the work in the organisation;
f) To develop the organisational health, culture & effectiveness;
g) To generate systematic information about human resource development.

**HUMAN RESOURCE DEVELOPMENT IN BANKING SECTOR**

Human resource development is a broad process not limited to training only and in this context it is necessary to highlight the entire process for better implementation and results. Like other big commercial organisations the importance of HRD in the banking sector has gained great significance during recent years. HRD is an important area which no organisation with long term objectives can afford to ignore or take it lightly in case it wants to achieve the standard of excellence. Proper development of human resources is all the more relevant in result oriented organisations like banks which are not only service organisations but are also considered wheels of social change for improvement of general standards of prosperity of the society along with public accountability.

The banking manpower is the critical element in HRD strategy and planning. After all, it is man and man alone who can grow and develop, yet everyone is not open for development. Those sections/individuals who are ripe and ready for development are to be involved in the human resource development process. The crucial factors to be identified are willingness and the ability to develop. It is said that every organisation obtains the class and quality of employees it needs. The banking management and industry makes banks attract, induct and retain a manpower of the 'right type'. The HRD approaches assume relatively greater importance in banking industry for several reasons;

a) It is essentially an industry in which considerations of personalised customer services are paramount. In fact, rendering of efficient customer services
depends on the quality, work attitude and performance of the employees.

b) Secondly, following recent growth and diversification of the banking industry, it has to consider adoption of appropriate changes in work technology, particularly by way of computers and mechanisation of important banking practices.

c) Thirdly, being an industry which provides wide-ranging services, both financial and non-financial, it requires appropriate training programmes to develop requisite type of professional skills among its employees.

d) Lastly, with emphasis on a vision for the future, banks have to adopt long-term planning and performance budgeting as an effective tool of management.

For public sector banks, too, the objective of manpower planning should be to maintain an equilibrium between supply and demand for the different categories of employees. For this, banks have to forecast their manpower needs. It calls for:

1) Forecasting of manpower requirements in view of expansion of banking sector in rural as well as urban areas with more of evening branches.

2) Identification of manpower requirements at different levels in view of ever increasing facilities at local, regional, national and international levels.

3) Designing instruments of manpower planning consisting of demand for employees at various management levels and supply of employees to be and existing ones for future positions.

Demands for employees in the banking sector will certainly depend on the following decisions:-

(i) Likely size of investment in banks

(ii) Likely distribution of such investment by sectors

(iii) Likely investment in various types of industries within sectors decided as above.
Neglect of HRD function is likely to destroy the fabric of banking itself and erode its credibility. HRD is not merely a moral compulsion for bank management but a business necessity. In the last two decades the business priorities and achievements of targets have kept banks busy on operational front and matching systems to plan, motivate, develop and utilising human resources has not received the priority it deserved. This neglect has revealed itself in attitude on the part of employees, rigidities and restrictive practices at the work place, inter-personnel problems. Cumulatively, the process of collaboration at the branch level has very much suffered.

The recent decision to consolidate banking and the concern of the Reserve Bank of India and Government to create excellence through HRD is in fact a belated realisation about the neglect of human function and its consequences on the organisational health of the banking system. The focus of HRD in banks, therefore, has to be on developing;

a) right attitude for public services;

b) desire for self development;

c) culture of collaboration.

Thus the focus of HRD in banks has to be on “banks” as well as “customer”. Mere development of employees without help to develop the receiver of bank services, would be taking a narrow view of HRD. This perhaps, is significant because it is not merely a day-to-day service to customer but the concerted guidance, pro-activity and empathy that the bankers need to develop. Therefore, HRD effort need to be much more broad based than perhaps, conceptualised at present.

In a manufacturing organisation, the focus of HRD is on developing employee so that he can unleash his potential to produce 'more'. Banking needs to be distinct from manufacturing organisation in the sense that a nexus is to be provided between employees' development and through his development, of customers. Therefore, the content and focus of HRD Programmes in banks have to be much more rigorous than perhaps, the standard packages available. This uniqueness
of HRD in the context of banking needs to be understood for right efforts in right direction.

**HUMAN RESOURCE DEVELOPMENT IN STATE BANK OF INDIA**

State Bank of India is the primary introducer of HRD in India in the banking sector. It will be interesting to discuss different components of HRD in the bank. This will help us in tracing the position of HRD mechanism on rational lines. As such a brief description of the components of human resource development in State Bank of India is given here under.

01) **Manpower Planning in State Bank of India**

In order to maintain the eminent position of the manpower planning, the bank has recognised the critical roles of human resource management and the need to spell out an avowed and conscious policy of manpower planning as a supportive system for HRD activities. The ultimate objective of the manpower development exercise is to excel in the quality of customer services, develop customer orientation as a cherished value, enable high level of professional competence and deep commitment to the organisation, its values and its customers. Above all, the purpose of all manpower planning is to improve the innovative and creative abilities of the people in the bank, through promoting a conducive climate, which will preserve human touch and improve interpersonal relations. The various tools of manpower planning in the banks are:

01) Quantitative inventories i.e., total number of persons required;

02) Job-position inventories i.e., total number of job positions available/vacant and the nature of the job in the organisation;

03) Skill inventories i.e., skill requirements of the people on various new as well as old job positions in the organisation;

Under manpower planning the banks follow a quantitative as well as qualitative approach.
a) **Quantitative Plan**

Manpower requirements are assessed at the micro level even though overall decisions are made within the frame work of Government guidelines and corporate perspectives. Branch activity analysis and productivity norms are the basic tools with which the assessments are made. Manpower planning in the bank is linked to the guidelines issued by the Government of India and Reserve Bank of India. Presently, the bank can have an annual in-take (recruitment of staff) of not more than 01% of the total staff strength at the end of the previous year.

b) **Qualitative Plan**

Under the qualitative plan, periodical job position inventories are made to assess the requirements to plan placements in consonance with the placement policy. The linkages between the placement policy and the training policy which are very important for career plan and cadre management are given due recognition. Under cadre management the bank endeavours to identify the critical positions in the bank from the angle of growth and profitability and the special skills to determine the number of officials in each cadre working in those positions and their professional needs for effectively performing their jobs. Exercises are conducted to assess the potential talents among the officials who have the frame of mind and requisite flare to be inducted into critical positions. The objective is to properly monitor the placement and promotion policy through a systems approach so that the human resources skills and potentialities available are optimally deployed to the mutual advantage of the organisation and the individuals.

02) **Training in State Bank of India**

The technique of training has been a key factor and a major tool used to achieve the objectives of HRD. It is a prerequisite to improved performance and preparing the human resources for new jobs, transfers, promotions and change over to modern technology and equipment. Besides, manpower at all levels requires refresher training from time to time to avoid personnel obsolescence.

"Training in State Bank India is proactive, planned and continuous process
as an integral part of organisation development. It seeks to impart knowledge, improve skills and reorient attitudes for individual growth and organisational effectiveness. The ultimate aim is to make the bank an organisation where all levels of staff grow well and contribute maximum to greater organisation effectiveness. While taking adequate care of the present needs, the bank has at the same time been adding futuristic dimensions to the training content. Training is seen by the bank as an important instrument and sub-system in the total HRD system of the bank.

Training in State Bank of India is over three decades old. In the beginning training was imparted on periodic basis and it was general in nature. But slowly and gradually it became specific and specialised in nature. The role of accelerating the regeneration of economy of the country and the attainment of social objectives created in its wake a number of challenges in the areas like organisational structure, administrative practices, business technology, corporate philosophy, personnel policies, HRD, etc. As a part of multi-pronged approach to meet the emerging challenges, it was decided way back in 1961 to assign high priority to training as an instrument of accelerated development of human resources. After 1979, with the advent of HRD philosophy into the banks, training became completely development oriented. Now the major thrust shifted from mere imparting of skills and knowledge to orientation in terms of attitude change and growth of the self. The main feature of training system in SBI are:

a) The existence of a proper training structure;

b) Division of training areas between the staff colleges and the training centres;

c) Specialised institutions have been created one for rural development and the other for information and communication management;

d) Existence of systems for assessing training needs and training evaluation;

e) Linkage of training to the corporate plans;

f) Linkage of training to career plans;
g) Focus on programmes in specialised areas, and conduct of special programme like stress management, special role transition programmes etc;

h) Existence of systems for overviewing the training function.

At present training in State Bank of India is imparted at all the levels, viz;

01) Lower level
02) Middle Level
03) Upper/top level

In the lower level category fall the subordinate staff and the clerks; in the middle level category come the officers while the managers and executives are covered under the upper level category. The objectives of all training is to ensure an optimal blend of all interventions aimed at:-

01) developing partnership with customers;
02) developing specialised skills suited to the needs of distinct customer groups;
03) perspective re-orientation to business;
04) transfer of knowledge;
05) facilitating re-orientation of attitudes.

a) **Training Structure and programmes**

Bank's training structure is quite impressive dating back to 1954, when the bank had two training centres. The bank at present has a huge network of training institutes and centres both at the apex as well as regional levels. There are, now, two apex level staff colleges one each situated at Gurgaon and Hyderabad, an Institute of Rural Development at Hyderabad; an Institute of Information and Communication Management at Hyderabad; and 56 regional staff training centres (STC's) spread over various parts of the country.
At the apex level, each institute is headed by a principal of the rank of Chief General Manager (CGM). He is assisted by vice-principal of the rank of GM and fleet of faculty members of the rank of DGM. At the local Head Office level each STC is headed by AGM. He is assisted by the faculty which consists of scale III and scale IV rank employees.

The faculty of colleges and centres consists of bankers drawn from the operating and the planning wings of the bank who return to their banking work after their tenure at the training institutes. These bankers undergo special Faculty Development programmes so that they can develop the requisite training expertise. The appointment of practicing bankers at the college faculty helps in keeping each training programme focused on the reality of the work situation. Apart from the internal faculty, specialists and experts from various outside organisations are also invited to address people of the bank on subjects relevant to them or to render consultancy to the bank in training system. While the use of external assistance is welcomed, the major burden of training the staff is borne by the system itself.

"While staff training centres cater to the training requirements in general banking areas, the apex training institutions look after the training in management development, specialised activities and other functional training needs." Some of the special programmes conducted by the colleges are;

1. Management education programme of senior executives to develop in them a global perspective and appreciation of the macro level environment and the modern management concepts;

2. Customers education programmes to enable the customers to appreciate bank's various products and to choose the best among the banks financial products and allied services;

3. Industry specific programmes which focus on technical, financial and marketing aspects of the industries;

4. Programme on financial services for export and export development;
5. Programme on project appraisal;
6. Programme for women managers;
7. Programme on dealing with unions and art of negotiations;

The following exhibit presents the focus of various types of programmes being conducted at the various training centres.

**Exhibit A-01**

*Training Programmes at Staff Training Centres*

<table>
<thead>
<tr>
<th>Name of Programme</th>
<th>Target group</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Foundation Programme</td>
<td>New Recruit</td>
<td>Formally inducting the new recruit into the organisation so that he gets a feel of the organisation.</td>
</tr>
<tr>
<td>2. Core-Programmes</td>
<td>Critical groups</td>
<td>Role dimensions general education and Human Resource Management.</td>
</tr>
<tr>
<td></td>
<td>holding critical roles</td>
<td></td>
</tr>
<tr>
<td>3. Focused-programmes</td>
<td>Need-based</td>
<td>certain specialised skills depending on the needs of the organisation.</td>
</tr>
<tr>
<td>4. Omnibus Programmes</td>
<td>Residuary Groups</td>
<td>Residuary Areas.</td>
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The overall objective of the above programmes is to pass each employee through institutional training once in three years so that his knowledge be updated, skills sharpened and managerial style re-oriented.

Training in State Bank of India is completely need based. Since the beneficiaries
of training are the staff engaged in the operational and the planning wings of the bank, training is looked upon as response to the demands made by the user system. The system introduced in State Bank of India is quite easy to operate. All that is required is to properly assess the training needs of each and everyone of the staff at branches of SBI, with concern for their growth. Branch Managers and Managers of Divisions thoroughly acquaint themselves with the details of the various training programmes conducted by the staff training centres, which are intimated to them by a circular. The managers are required to go through the service sheets of the employees/officers with a view to know about the training already received by them. Through personnel discussion with the employees/officers, the managers come to knowing about the dark areas of the former, where they require training. Besides, at their personal levels the managers make assessment of the training needs of the employed officers by taking into consideration their day-to-day performance. During September-October, the branch managers of divisions complete an annual employee wise training needs assessment statement for the year commencing from April. The statement contains the names of the employees identified for training, name of the training programme against each name of the employee, and the quarter during which the concerned employees would be conveniently deputed. After having received the copies of the above statement from the various branches along with the business budget, the regional manager prepares a joint statement programme-wise. A copy of the statement, duly signed by the Regional Manager is handed over to the personnel officer soon after the budget exercise is over, in any case not later than 31st December. The personnel officer prepares a statement based on the information given by the Regional Managers in module. The statement duly signed by the Personnel Manager and Deputy General Manager (DGM) is sent to the Manager, human resources development (HRD) at the local Head office level.

On receipt of the above information, the manager HRD arranges for an annual training workshop involving the planning wing functionaries at the Local Head office and the modules, the personnel managers, the personnel officers
and the chief instructors of the staff training centres. The projections of the wing functionaries are integrated with the demands raised by the modules and a tentative programme for the circle as a whole is prepared, taking into account the available training capacity. In February, the tentative schedule of training programme is discussed with the Deputy General Manager and the Circle Management Committee and there after a final schedule of training programmes is prepared and intimated to all concerned, latest by the first week of March.

While imparting training to various categories of the employees working in the bank, the trainers use an appropriate mix of the various training techniques like lectures, group-discussions, case-studies, panel-discussion, incident method, exercises, role plays, field visits, project-work etc. The training techniques to be used are settled, depending upon the level of participants and the programme objectives.

After having imparted training to various categories of employees under various programmes, the trainees go back to their respective jobs. Now the question arises, whether the employees who had been deputed for training have improved or not. "While it is necessary to know how far training system in an organisation proves effective and whether the training imparted yields results commensurate with the expenditure incurred on training; it is by no means easy to evaluate the real impact on the organisation. This is because the performance of an organisation depends upon a number of factors of which improvement in the quality of the personnel through training is only one." So it is very difficult to measure training outcome in relation to need identification and result achievements as the benefits of a training programme are not always obvious and readily measurable.

It will not be out of place to mention that the system of evaluation of training in SBI is not satisfactory. The various difficulties associated with evaluation of training like, non-availability of any yardstick against which the past training performance be measured, the quality of training inputs, personal bias of people. However, after completion of training, the trainees are asked to evaluate their own performance and also suggest the alternative methods to make the training
more effective. This feedback acts as an important tool for at least having a faint picture of the effectiveness of the training programme.

03) **Appraisal System**

Performance Appraisal system is a systematic and objective way of judging the relative worth or performance of an employee in performing his task. It is the process which helps to identify those who are performing their assigned tasks well and also pinpointing those whose productivity is low.

In State Bank of India performance appraisal was introduced as a tool for human resource development, with the following objectives:

01) creating “Openness of Culture”.

02) help the employee to overcome his weaknesses and improve over his strength and thus enable him to improve his performance.

03) generate significant, relevant, free and valid information about employees.

04) help identifying employees for the purpose of motivating, training and developing them.

05) provide inputs to system of rewards comprising salary increments, appreciations, additional responsibilities, promotions etc.

06) To serve as a support function for the developmental aspect which include, identification of strengths and weaknesses, training and development, job-rotation and enrichment, performance planning and review, career development and potential appraisal.

Like most of other organisations, SBI too had a system of confidential reporting. The system of confidential reporting suffered from many drawbacks which are listed below;

01) firstly, the degree of subjectivity was too high in the system

02) secondly, there was no scope for providing feedback to the appraise on his performance.

37
thirdly, the system did not in any way reflect the growth needs of the individuals being appraised, and so on.

A general data-based appraisal system, involving people in the goal identification process, was introduced on experimental basis in Ahmedabad circle of SBI in 1981. The results of the experiments were quite encouraging and as a result, the Appraisal System was extended to whole of the organisation in 1986 covering all the levels of organisational hierarchy. The objectives of the newly introduced system were:

01) Improving communication.
02) Bringing about growth and development of persons in the organisation.
03) To have an appraisal system which could facilitate the entire human resource development process in the organisation.

But, this appraisal system also suffered from many inadequacies. Some of the deficiencies noticed were as follows;

01) It was subjective in nature as forms PAS-5 and PAS-5A were attributed to subjective base
02) It was difficult to comprehend key performance areas and called for a good deal of judgement on the part of both appraiser and appraise.
03) Although the system had been conceived as person-specific in actual practice, the appraise and appraiser together settled key responsibility areas of the role.

It was due to above deficiencies in the system, it had to be discarded and on 25th January 1993 a new appraisal system called the assignment appraisal system got finally approved by the top management, for its introduction all over the bank with effect from 31st March, 1993.

The present performance appraisal system in SBI is very clear. "The reporting authority should in the beginning of the year set quantitative/physical/financial targets in consultation with each of the officers with respect to whom he is required
to report. In the case of those officers, who have responsibility for achieving
growth of business, the settled budget for the year will be the target. As regards
other officers, quantification of the responsibility in terms of identified key responsibility
areas (KRA's) may be done by the appraiser. Even otherwise key responsibilities
of every functionary are well known to appraise as well as appraiser. The targets/
goals should be set at the commencement of the year. In the case of officer taking
up a new assignment in the course of reporting year, he will take over the targets
set for the officer whom he is replacing. However, while reporting on such officer
it will be necessary to take into consideration his performance in the assignment
in which he has spent maximum period. While fixing the targets, priority should
be assigned item-wise, taking into consideration the nature and the areas of
work of the officer to be reported upon.”

The present performance appraisal system, which has replaced the old
system, is an improvement over the latter. It aims at appropriateness of placements,
identification of potential and skillful management of available resources. Although
an year-end exercise, in order that it be a tool for human resource development,
review of performance is undertaken at regular intervals.

04) Organisation Development (OD)

Organisation Development (OD) is being seen as more and more important
in helping the diagnosis of problems of human resources in the bank; taking
steps for team building at the various levels; improving general morale and motivation
of people; developing healthy values, and trying out various ways by the bank.
With the establishment of HRD department in the Bank in 1979, the Bank started
focusing its attention on OD exercises using role negotiations, team building
and survey feedback exercises. At present, SBI is rigorously conducting various
OD exercises with more and more attention on developing coping and renewal
capabilities among the people working in the Bank. Some of the innovations
initiated by the Bank include ‘visiting faculty scheme’, ‘Manager programme’,
‘formation of quality circles’, Role-analysis exercises, changed focus of training,
conducting periodic climate surveys and so on. Under the “Visiting Faculty Scheme”
faculty members of the training centres and colleges visit branches and provide on-the-job training. The training contents are built around the real life problems and issues. The Bank is initiating many efforts in enabling the manager to manage change in pro-active fashion rather than in a reactive way.

The focus of training in the Bank, apart from imparting knowledge and improving skills, is reorienting attitudes and facilitating the change process in the Bank. The role of training as an instrument for stabilising change is becoming more and more crystallised in the Bank. The contents of training inputs have undergone tremendous change and have been rationalised with more and more stress on behavioural Human Resource Management inputs at the staff training centres.

"Role programmes for better understanding and application of roles, job enrichment and job rotation of clerical staff and team Building exercises for better cohesion and collaboration are some of the elements of such OD intervention". Training Audit and "on-site training" at critical branches are the other new activities initiated by the two staff colleges, for cent-percent coverage of the training needs specific to such branches. The staff college Hyderabad has introduced a new scheme of 'Distance Learning and Personal communication' aimed at providing self-learning facilities through the supply of educational briefs, publication of 'Chayanika', a bi-monthly digest of articles of interest to bankers and off-the-shelf self-learning packages for senior officers. In any organisational development exercise aimed at solving various problems in the bank, the approach is to gather as much data as possible about the problem, followed by interviews and discussions with the persons connected with the problems. Based on the gathered information, a final diagnosis is made about the type of the problem or the issue. HRD department of the Local Head offices of the S.B.I. have been focussing more and more attention on creating data base for personnel decision making and initiating several innovations. Many Local Head offices have initiated studies in the area of HRD such as; study on "Job Rotation" at the Local Head office in New Delhi; "Role Analysis of Managers of Division", conducted by HRD department, Chandigarh, (1983); "study of lady
employees-problems and perception", undertaken by the Local Head Office, Bhopal (1983); "identification of KPA's and Cas", conducted by Local Head office, New Delhi, has introduced the concept of "quiz programmes" as an OD intervention.

05) **Job Rotation and Role Analysis**

Job rotation is the practice of systematically rotating an employee from one job to another within the branch office. "The Bank has laid down a system of Job Rotation under which the entire work at branches has been classified under 9-10 clusters. All the clerical staff have to be systematically moved through these clusters over a period of 7-8 years in accordance with predetermined plan. This process came into effect from January 1989. A corresponding employee development plan has been worked out for offices also." The bank believes that for proper staff development, job-rotation is essential. It is considered as an important component of HRD for developing functional versatility among the employees. But, as regards its implementation, a few loopholes exist. It was observed that many officials have been working on one seat for many years. While the employees complain that only a "handful" of employees are given the opportunity to work on prestigious desks. The managers complained about the unwillingness on the part of employees to shift or rotate from one job to another.

Role Analysis is the another area of HRD in SBI. Role analysis as a sub-system of HRD, occupies a central position in the design of HRD activities in the Bank. Role is the point where the Bank and the individual meet", towards a more effective matching of the man with the role, what is required is the innovation of systems and organisation development intervention needs, we must know the precise nature of the role where the synthesis of man and organisations (Employee and Bank) takes place. This is centrality of Role analysis in the design of HRD." (Figure 1:1)
The crystallisation of roles performed by the officers is considered crucial from the point of view of their development in the Bank. The increasing complexity of work in the Bank necessitated for the Bank to understand clearly the nature of roles occupied and the job performance achieved by various functionaries in the Bank. One of the aims of HRD in the Bank is, to develop the manpower to meet the bank's requirements, to be effective in roles they occupy and also to prepare them for higher responsibilities which they would shoulder in the years to come. An exercise in job analysis in the banks is helping the role occupant to see himself more clearly and objectively. It also helps him to understand what his superiors, subordinates and the Bank expect of him. Thus, the purpose of Role-analysis exercise in the bank is to help the role occupant to clarify his role, to help him to prepare his role, description and reduce role ambiguity so that he may become more effective (Figure 1:2)

Figure 1:2

Role Analysis

Role Ambiguity $\rightarrow$ Through $\rightarrow$ Role Analysis $\rightarrow$ Role Clarity
In conducting the Role-Analysis exercises, the following procedure is followed in the bank:-

01) Identification of the Role and testing out objectives of the Role.

02) Making an inventory of the jobs, i.e, performance Areas in the performance of the role and the analysis of the same.

03) Listing out the Key Performance Areas of the job: those activities which must be carried out, in the job and if not carried out will render the job redundant and block smooth running.

04) Listing out knowledge, skills and grade them as critical (essential), desirable (necessary) and otherwise useful.

06) **Quality Circles (QC's)**

The State Bank of India was amongst the first Banks in India to have introduced the concept of ‘quality circles’, as a participative management process and a problem solving forum. Quality circles made an entry into the Bank through a branch Bank located at Bhopal, BHEL township in the year 1984. Since then, the concept of QC’s is becoming more popular at the various branches in almost all the circles of the Bank.

The objective of QC’s in the bank is “development of employees, enriching quality of their work life and humanisation of work which would naturally instill self-motivation, catalysing them to own the work they do and spontaneously strive for identifying areas of improvement and eliminating existing hurdles.”

The quality circle movement in the Bank is in full swing and efforts are on to facilitate formation of more and more QC’s. AT present, there are over 300 QC’s operating in different zones and branches of the Bank throughout the country and in the Bhopal Circle of the SBI alone, there are about 75 circles in operation. Among the Associated Banks of SBI, "State Bank of Saurashtra, Andra Bank, State Bank of Bikaner and Jaipur are on the threshold.”

Sincerity of the management for the purpose of the developing employees
through the participative management is demonstrated through the fact that very recently on 28th February and 1st March 1994, SBI organised a "National Convention of SBI Quality Circles" at SBI staff college, Hyderabad, with very enthusiastic participation of 8 quality circle teams selected from the various zones of SBI. Simla branch under the Chadigrah circle was one of the participants and its 'project' and 'stall' presentations were declared as No.01 and No.02 respectively.

As regards the working of QC's in the Bank, the members to the QC identify the problem to be tackled. The members then analyse the issue. Specialist help is also sometimes sought, if required. After the problem is properly studied and analysed, recommendations are given by the members. The same are presented before the management which are reviewed and approved by the management. The approved solutions are then implemented by the members. The members monitor the results from time to time and report to management.

It may be mentioned that QC movement in the Bank has started to gain ground. It is a new concept to the people working in the bank and efforts are on to bring the system in the main steamline of HRD practices in the bank.

07 Career Systems

An important HRD task is planning and developing the career of the people in the organisation. "The career development relates to the planning, organisation, direction and control of programmes, strategies and techniques calculated to improve the career utilisation of employees within the firm." The career system in SBI includes various elements like career surveys, career information and career monitoring, career planning programmes, potential assessment, and human resource planning inputs. While career planning in the Bank is part of organisation planning, Career Development is the subsystem of organisation development. The Bank has always taken care to provide new avenues and openings for its people and seen to it that a reasonably satisfying career is available to the staff at all levels.

The State Bank of India has very well formulated placement, transfer and
promotion policies. The Bank has a comprehensive career plan which indicates the movement of individual over a period of time, covering certain critical assignments in order to build multi-dimensional capability in him. The career plan model in the Bank aims at enabling the individual to acquire different types of capabilities that he needs to have not only in respect of present assignment but more importantly in respect of the assignments that he needs to hold in future." The exercise involves the identification of the skills and attributes required at different levels and working of a plan for individuals to acquire the technical competencies at the middle and higher levels and conceptual abilities at the top levels". The various planning activities are closely linked with the actual processes of supervision, job assignment, training, potential appraisal, etc.

The Potential Appraisal system in the bank is linked with promotions, though in a limited way. It is linked with career development as it helps the management in identifying employees who, immediately may not be having the capability of handling future jobs, but whose capabilities could be developed through job rotation, training etc. Apart from potential appraisal, the bank is trying hard to institutionalise "counselling" as a part of its supportive culture, contributing towards development of staff.

08) Welfare Systems

The State Bank of India has introduced several welfare schemes and other facilities to improve quality of work life, which in turn is expected to improve motivation and enhance spirit of involvement among the employees. The various facilities to employees, recreational facilities, dispensaries & free beds in hospitals, educational scholarships, reservation of school seats, holiday homes, consumer co-operative stores, housing loans, SBI employees mutual welfare schemes, consumer loans, festival advances, conveyance loan and so on.

09) Human Resources Information System

Different types of information about individual employees, their biographical information, critical attributes, performance record, potential record, promotions
given, rewards given, special events, etc, are all the time needed for the purpose of promotions, placement, etc. The Bank has well established Management Information System in personnel and HRD. The State Bank Institute of Information and Communication Management is conducting series of programmes for different categories of staff on computer application. The Institute is also conducting advanced programmes and specially designed programmes for easy storage, quick retrieval and continued updating of the required information.

10) Research in Human Areas

The bank has also initiated some research work in human areas to find out human problems of staff, in so far as these adversely affect work at branches.

CONCLUSION

The most important task for the HRD practitioners is to develop in bank employees an attitude of selfless dedication to work, quest for new knowledge and practice of love in relations with the public. Since organisation cannot avoid the impact of dynamic and fast changing world, therefore, for the success of an organisation it is necessary for it to be dynamic and to cope with the changing world. Organisations have to change their approaches of working through HRD. Thus, it is necessary to understand the basic concept and philosophy of HRD including that of executive development.

It is the executive who has to share major burden of responsibilities for framing of various policies regarding human resource development and their implementation. An executive is expected to utilise resources in the most effective manner under the most trying circumstances in order to attain optimum results. Various resources are at his command which can be broadly classified under two groups viz, Physical Resources and Human Resources. The success or failure of an executive depends largely on his ability to handle these resources. As such, an effort shall be made in the next chapter to analyze various programmes developed by the State Bank of India for developing its executives.
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