CHAPTER - III

BANKING INDUSTRY

Banks in India have a diversified history since independence. Before independence, Indian banking was under-banked with 2700 bank branches with a total deposit of Rupees 928 crores. Only small and large private banks offered products, which were lacking professionalism.

Phase in Indian Banking

Banking in India can be divided into three phases.

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<thead>
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<th>Phase</th>
<th>Description</th>
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<tr>
<td>Pre – Nationalization era</td>
<td>No banking laws</td>
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<tr>
<td>(1948 – 1968)</td>
<td>Banking failures</td>
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<td></td>
<td>Facilities to big businessmen only</td>
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<td></td>
<td>Lack of socio-economic objectives</td>
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<td></td>
<td>Small scale industry</td>
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<td></td>
<td>Agriculture sector were neglected</td>
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<tr>
<td>Post – Nationalization era</td>
<td>Nationalization of Banks (14 banks in 1969, and six in 1980)</td>
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<td>(1969 – 1991)</td>
<td>Public control. Social banking branches increased from 8262 to 60220</td>
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<tr>
<td>LPG era (1991 onwards)</td>
<td>High – tech banking</td>
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<td>Core banking</td>
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<td>E- banking</td>
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<td>Internet banking</td>
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<td>Product innovation and enhanced customer services</td>
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Source: Professional Banker

3.1 Professional Banker, pp 37 – 40, October 2006
Till the 1990’s, the Indian banking sector was mostly used by the government as one of its departments to finance its fiscal deficits at low costs, channelize money to the weaker sections of the society and control the money supply in the economy.

The Reserve Bank of India (RBI) controlled all banks with iron fist and the banks had very little discretion in fixing the interest rates for advances and deposits, recruitment policies, decision on branch expansion etc.

The 1990’s changed everything with LPG (Liberalization, Privatization and Globalization) becoming the buzzword and really changed the way the country functions.

“It is becoming a customer driven market” Key drivers of this shift in orientation from the seller’s market to the buyers market include mass customization of services, increased competition, shift in demographics and income groups, proliferation of channels leading way for increased focus on channel management, productivity growth driven by judicious investments in Information Technology, etc.

With globalization, competition would be the key word. Various banks, nationalized, private and foreign, would be competing among themselves for the same piece of cake. The market would be cluttered with many banks chasing few clients with not much differentiation among banks in terms of products, pricing, place and promotion the services would occupy an important place.

**Global Challenges in Banking Industry**

The banking sector is undergoing a rapid transformation, with more and more global banks setting up offices in India or expanding their operations to cash in on
India’s growth story. The global aspirations of Indian banks are also rising with increasing globalization of Indian corporate. The first and foremost reason is the booming Indian economy. With a persistent challenge of maintaining a double-digit growth figure the banking backbone needs to be strong enough and this is making the banking sector an interesting playground even for the private sector too. Banks are today facing a tough challenge being associated with the management of human resources. The fact that the way an organization should manage its manpower should be in tandem with their organization strategy is equally obvious and universal. However, the obviousness of this fact is in no way certainly attainable in a dynamic and turbulent industry like banking.

Today banks are becoming increasingly inclined towards their technology up-gradation. Information Technology solutions are mushrooming in number in order to support the banking operation, especially the back end. There are Enterprise Resource Planning (ERP) solutions, web-based and web-enabled solutions and there are highly efficient dashboard systems in order to monitor the effectiveness of each and every process that is being carried on in the banks.

**Some of the global challenges in banking industry**

1. **Enhance of customer service**

   Customer service will play a major role in Indian Banking Sector. The term Customer Relationship Management (CRM) that focuses on an everlasting relationship between the customer and the bank would become in thing.

   This deliberate effort of the banks to be on a par with the expectations of the clients and to retain its customers with tailor-made products, personalized services,
efficient delivery would put a lot of focus on the CRM. Thus, CRM would be a major challenge for banks in the future.

2. **Innovations in Technology**

There has been a revolution in the information, communication and entertainment sectors. Technology has made progress at such rapid pace that now there can be a lot of convergence in the banking and other financial sectors. Integration or alliances between banks and Non-Banking Financial Companies (NBFCs) or other companies would lead to synergy thus creating win-win situations for all in this competitive era. Already some banks have tied up with various Insurance Company for distribution of Insurance product through bancassurance scheme.

3. **Diversifying products**

Universal banking would be the mantra of tomorrow with banks becoming one-stop shops for all the financial products. They would be akin to financial super markets or malls wherein all financial products including loans, deposits, mutual funds, depository services, insurance products, credit cards, investment banking, merchant banking etc., would be available to the customers. This would bring in economies of scale for the banks and would develop customer loyalty from banks point of view. The customer, on the other hand would be able to get good quality products and services at modest prices within good time.

4. **Consolidation**

In future, banks would move from a large number of smaller banks to a smaller number of larger banks. During 1969 - 2005, 26 bank mergers have taken place 22 in the public sector and 4 in the private sector banks. The majority of these mergers in the
public sector took place at the behest of the central government either to bail out sick private banks or to safeguard the interests of depositors and other stakeholders.

The mergers and acquisitions would be the order of the day and only the fittest would be able to survive this onslaught. The trend has already set in with smaller banks merging among themselves or with larger banks. The merger between centurion bank and bank of Punjab is an example.

Indian banks have come a long way since independence and more so after LPG era, however, still they have to cover some distance so as to be benchmarked with the best banks globally. The financial strength of banks is the first stage of defence against financial risks. Bank should always maintain good operating standards, risk management system and sound capital structure, in better positions to absorb the future financial shocks. Efficient delivery of information pertaining to the customer needs and preferences will hold the key to the success.

Globalization has posed numerous challenges to the Indian banking system. The last decade witnessed all new banks, financial institutions and investment opportunities. Deregulation has provided new opportunities for banks to earn more revenue with higher risks. This has made banks diversify their product mix. It has brought dynamic changes in their processes, so that they can remain competitive in the LPG era.

The changing banking Environment and the role of human resource management

Owing to the changing banking environment, HR department should call for appropriate response in equipping people who have to perform in the new environment.
The upgraded technology in banks might create fear among the staff regarding their adaptability to the new environment. The main function of HRM is to build up capabilities in people working in banks and intensify their sense of belonging to the organization. To improve their performance and increase the banks productivity HR must incorporate challenges in routine work.

In a sector like banking, which is wholly and solely driven by customer service and customer satisfaction, it is the integration of technology and manpower that gives the banks the competitive edge over others. In order to gear ourselves up for meeting the challenges in the present day banking of cut-throat competition, the HR departments should concentrate on the following activities.

1. People should be trained adequately to be able to use state-of-the-art technology.
2. Increase the speed of operations by imparting proper training to staff.
3. Recruit relationship managers in branches to expand business connections to respond to customers politely.
4. Provide access to more ATMs with increasing network by tie ups with other banks example tie up with Euronet, NCR etc. has increased the access to more ATMs for customers.

In order to implement the above, the mindset of the personnel has to be changed by proper counselling. This is one of the important functions of Human Resource Management in banks.
PROFILE OF THE BANKS

Industrial Credit and Investment Corporation of India Bank (ICICI Bank)

ICICI Bank is India's second-largest bank with total assets of Rs.3,446.58 billion (US$ 79 billion) at March 31, 2007 and profit after tax of Rs.31.10 billion for fiscal 2007. ICICI Bank is the most valuable bank in India in terms of market capitalization and is ranked third amongst all the companies listed on the Indian stock exchanges in terms of free float market capitalization. The Bank has a network of about 950 branches and 3,300 ATMs in India and presence in 17 countries. ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialized subsidiaries and affiliates in the areas of investment banking, life and non-life insurance, venture capital and asset management. The Bank currently has subsidiaries in the United Kingdom, Russia and Canada, branches in Singapore, Bahrain, Hong Kong, Sri Lanka and Dubai International Finance Centre and representative offices in the United States, United Arab Emirates, China, South Africa, Bangladesh, Thailand, Malaysia and Indonesia.

ICICI Bank's equity shares are listed in India on Bombay Stock Exchange and the National Stock Exchange of India Limited and its American Depositary Receipts (ADRs) are listed on the New York Stock Exchange (NYSE).

ICICI Bank was originally promoted in 1994 by ICICI Limited, an Indian financial institution, and was its wholly-owned subsidiary. ICICI's shareholding in ICICI Bank was reduced to 46% through a public offering of shares in India in fiscal 1998, an equity offering in the form of ADRs listed on the NYSE in fiscal 2000, ICICI Bank's acquisition of Bank of Madura Limited in an all-stock amalgamation in fiscal
2001, and secondary market sales by ICICI to institutional investors in fiscal 2001 and fiscal 2002. ICICI was formed in 1955 at the initiative of the World Bank, the Government of India and representatives of Indian industry. The principal objective was to create a development financial institution for providing medium-term and long-term project financing to Indian businesses. In the 1990s, ICICI transformed its business from a development financial institution offering only project finance to a diversified financial services group offering a wide variety of products and services, both directly and through a number of subsidiaries and affiliates like ICICI Bank. In 1999, ICICI become the first Indian company and the first bank or financial institution from non-Japan Asia to be listed on the NYSE.3.2

Training

The rapidly changing business environment and the constant challenges it poses to organizations and businesses make it imperative to continuously enhance knowledge and skill sets across the organization. ICICI Bank believes that building a learning organization is critical for being competitive in products and services and meeting customer expectations. ICICI Bank has built strong capabilities in training and development to build competencies. Training on products and operations is imparted through web-based training modules. Special programmes on functional training and leadership development to build knowledge as well as management ability are conducted at a dedicated training facility. ICICI Bank also draws from the best available training programmes and faculty, both international and domestic, to meet its training and development needs and build globally benchmarked skills and capabilities.

3.2 www.icicibank.com
Indian Overseas Bank

Indian Overseas Bank (IOB) was founded on February 10, 1937 by Shri.M.Ct.M. Chidambaram Chettiyar. IOB had the unique distinction of commencing business on the inaugural day itself in three branches simultaneously - at Karaikudi and Chennai in India and Rangoon in Burma (presently Myanmar) followed by a branch in Penang.

Indian Overseas Bank was the first Bank to venture into consumer credit. It introduced the popular Personal Loan scheme. In 1964, the Bank made a beginning in computerisation in the areas of inter-branch reconciliation and provident fund accounts. IOB was one of the 14 major banks that was nationalised in 1969. On the eve of Nationalisation in 1969, IOB had 195 branches in India with aggregate deposits of Rs.67.70 crores and Advances of Rs.44.90 crores. In 1977, IOB opened its branch in Seoul and the Bank opened a Foreign Currency Banking Unit in the free trade zone in Colombo in 1979.

As of March 2003, IOB had 1427 branches in India and 6 branches overseas. Besides the Bank has a network of over 240 ATMs and 243 Extension Counters. IOB has specialized branches to cater to the exclusive needs of Commercial & Industrial credit, Industrial finance, Small Scale industries, hi-tech agriculture and foreign exchange.3.3

3.3 www.iob.com
Training

The HR Policy of the Bank seeks to have the right kind and mix of people at the right place and to develop systems and create an environment/platform wherein the employees realize their potential for their own betterment and organizational effectiveness. The Bank helps the human resource development and sharpens their skills towards realizing the individual and organizational objectives and also acquires specialized skills in banking. The staff is given training to acquire required job knowledge for effectively discharging their day-to-day duties and also mould them to shoulder higher responsibilities and meet future challenges.

City Union Bank

City Union Bank was started on 31st October 1904 that the bank, The KUMBAKONAM BANK LIMITED as it was then called, was incorporated as a limited company. The Bank celebrated its Golden Jubilee on 14th November, 1954 at Kumbakonam under the presidentship of Shri. C.R.Srinivasan, Editor, 'Swadesmitran' & Director, Reserve Bank of India.

The first branch outside the state of Tamilnadu was opened at Sultanpet, Bangalore in Karnataka in September 1980. Branches were also opened at the twin cities of Hyderabad and Secunderabad in Andhra Pradesh. In tune with the national image attached to the Bank, the Bank’s name was changed to 'CITY UNION BANK LIMITED' with effect from December 1987.

The Bank started its own staff training college on 21st August, 1989 at Kumbakonam with the avowed objective of imparting need-based and result-oriented training to its staff members irrespective of the cadre.
Taking into account the bank's financial strength, managerial competence and consistent progress in all spheres of its activities, Reserve Bank of India has granted an Authorized Dealers License to deal in Foreign Exchange business with effect from October, 1990. In the month of June 1998, the bank came out with a public issue for an amount aggregating to Rs.21 crores. Its present paid-up capital is Rs.24 crores.

The bank has introduced computerization in the year 1990 and as of now all the Branches have been computerized. The Bank is having nine on-site ATMs and proposed to open 50 ATM before March 2006. To provide value-added services, the Bank has entered into Memoranda of understanding with Life Insurance Corporation of India and National Insurance Company Limited for selling insurance products. The Bank has been accorded license by Insurance Regulatory Authority of India [IRDA] to act as Corporate Agent. The bank has entered into an agreement with Tata Consultancy Services Limited for introducing Core Banking Solution. The Bank has also entered into a franchise agreement for the Money Transfer Service Scheme of M/S Western Union Financial Services Inc. U.S.A. with their agents in India M/S AFL Pvt. Limited.

The Bank is having 135 Branches as on 30-11-2004. The bank has 1421 Staff Members comprising 26 Executives, 449 Officers, 686 Clerks and 260 Sub-ordinate Staff as on 30-11-2004. 3.4

3.4  www.cityunionbank.com
Indian Bank

Indian Bank was established on August 15, 1907 as part of the Swadeshi movement. In 1969, the Bank was nationalized along with 13 other banks. Today, Indian Bank has a network of 1385 branches spread all over India.

Indian Bank has an impressive international presence. The Bank has overseas branches in Singapore and Colombo including a Foreign Currency Banking Unit at Colombo. Indian Bank has 229 overseas correspondent banks in 69 countries.

Indian Bank is engaged in diversified banking activities and has 3 subsidiary companies to look after them. These are: Indbank Merchant Banking Services Ltd, IndBank Housing Ltd., and IndFund Management Ltd.

Indian Bank is a front-runner in specialized banking. The bank has 88 Forex Authorized branches inclusive of 3 Specialized Overseas Branches at Chennai, Bangalore and Mumbai exclusively for handling forex transactions arising out of Export, Import, Remittances and Non Resident Indian business. The bank also has 5 specialized NRI branches exclusively for servicing Non-Resident Indians and one.

Small Scale Industries Branch extending finance exclusively to SSI units. Indian Bank is a pioneer in rural development. It has launched several innovative loan products like Artisan Card, Kisan Card, Kisan Bike Scheme, Yuva Kisan Vidya Nidhi Yojana to meet diverse credit needs of farmers.  

3.5 www.indianbank.com
State Bank of India (SBI)

State Bank of India (SBI) is India's largest commercial bank. SBI has a vast domestic network of over 9000 branches (approximately 14% of all bank branches) and commands one-fifth of deposits and loans of all scheduled commercial banks in India.

The State Bank Group includes a network of eight banking subsidiaries and several non-banking subsidiaries offering merchant banking services, fund management, factoring services, primary dealership in government securities, credit cards and insurance.

The eight banking subsidiaries are:

1 - State Bank of Bikaner and Jaipur (SBBJ)
2 - State Bank of Hyderabad (SBH)
3 - State Bank of India (SBI)
4 - State Bank of Indore (SBIR)
5 - State Bank of Mysore (SBM)
6 - State Bank of Patiala (SBP)
7 - State Bank of Saurashtra (SBS)
8 - State Bank of Travancore (SBT)

The origins of State Bank of India date back to 1806 when the Bank of Calcutta (later called the Bank of Bengal) was established. In 1921, the Bank of Bengal and two other Presidency banks (Bank of Madras and Bank of Bombay) were amalgamated to form the Imperial Bank of India. In 1955, the controlling interest in the Imperial Bank
of India was acquired by the Reserve Bank of India and the State Bank of India (SBI) came into existence by an act of Parliament as successor to the Imperial Bank of India.

Today, State Bank of India (SBI) has spread its arms around the world and has a network of branches spanning all time zones. SBI's International Banking Group delivers the full range of cross-border finance solutions through its four wings - the Domestic division, the Foreign Offices division, the Foreign Department and the International Services division.3.6

Training

Training in SBI dates back to 1954. Earlier training was periodic and general in nature. Gradually it turned to be specific. With the adoption of HRD philosophy in 1979, training changed its course from control to development orientation. There was a major shift in goals that training sought to achieve: from merely imparting skills and knowledge, the focus shifted to changing attitude and growth of self. And presently the main features of the training system in SBI are:

1. Existence of proper training structure.
2. Division of training areas into the State Bank Staff Colleges and Staff Training Centers.
3. Existence of systems for assessing training needs and training evaluation.
4. Linkages of training to career plans.
5. Focus on programmes in specialized areas, and special programmes like stress management, special role transition programmes, etc
6. Existence of a system for over viewing the training function.
The SBIs training programmes are aimed at developing a creative partnership with customers, specialized skills suited to the needs of distinct customer groups, perspective orientation to business, transfer of knowledge, facilitating orientation of attitudes. The bank at present has a vast network of training centers.

**Housing Development Finance Corporation Bank Ltd (HDFC Bank)**

HDFC Bank was incorporated in August 1994 in the name of 'HDFC Bank Limited', with its registered office in Mumbai, India. The Bank commenced operations as a Scheduled Commercial Bank in January 1995.

The Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector, as part of the RBI's liberalization of the Indian Banking Industry in 1994.

Headquartered in Mumbai, HDFC Bank, has a network of over 531 branches spread over 228 cities across India. All branches are linked on an online real-time basis. Customers in over 120 locations are serviced through Telephone Banking. The Bank also has a network of about over 1054 networked ATMs across these cities.

HDFC Bank has won many awards for its excellent service. Major among them are "Best Bank in India" by Hong Kong-based Finance Asia magazine in 2005 and "Company of the Year" Award for Corporate Excellence 2004-05.
In the year 2007, HDFC won the following awards.\(^3\)\(^7\)

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<tr>
<th>The Asian Banker Excellence in Retail Financial Services Awards</th>
<th>Best Retail Bank in India</th>
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<tr>
<td>Asian Banker</td>
<td>HDFC Managing Director Aditya Puri wins the Leadership Achievement Award for India</td>
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<td>One of Asia Pacific's Best 50 companies.</td>
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<tr>
<td>Business world</td>
<td>Best listed Bank of India.</td>
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<tr>
<td>Asiamoney Awards</td>
<td>Best Local Cash Management Bank in Large and Medium segments.</td>
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<tr>
<td>Euromoney Awards</td>
<td>&quot;Best Bank&quot; in India.</td>
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**Training**

Skills requirement is cyclical and depends on stage in which the business is into. Four years ago, asset skills were relatively rare. Then, as foreign banks got out of many asset businesses, there were lots of people available, changing the market demand and supply. But even now, treasury skills are difficult to find as lots of people are going overseas. There is a dearth of individuals who have relevant skills to manage private and corporate banking. Down the road, there will be a shortage of generalists, as organization starts looking for individuals as solution specialist rather than product specialists. We are swinging between generalists and specialists. We realize we need both and the pricing for both is different.

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\(^3\)\(^7\) Source: http://www.hdfcbank.com/
HDFC’s induction program - Swagat - covers products and business of the bank. It is focused on developing skills and values. Four years ago bank started an internal employee referral program called ‘Karo Sifarish’. It has become one of the most preferred channels and contributes significantly to talent acquisition.

Earlier the focus was 100% on hard skills. Now, soft skills’ training has risen from being non-existent to 30% of the training efforts. HDFC organize various programs including outbound experiential learning, Open Spaces Technology, Personal Effectiveness, Leadership Excellence, art of living, Vedanta, etc. Most training programs are delivered in house, except for highly technical ones such as derivatives. The in house training staff comprises of 17 people. People in the smaller cities were missing out as training program were being held in larger metros. HDFC started sending trainers to the remote locations. The ‘Back Pack Trainers’ take classes after office hours and this has been much appreciated. The cost impact is minimal and the benefits manifold. Bank invites guest lecturers such as Bruce Carlson, CEO, Managerial Grid and Stephen Haines, Chairman of Center for Strategic Management, to spend half a day with their senior management. Bank have a strategic tie-up with Indian Institute of Management Ahmedabad for a 9-days program covering economics, quantitative, behavioral leadership, marketing, corporate communications, etc. HDFC Bank sends 30 of their vice presidents every year as a part of leadership development plan.

**Bharat Heavy Electricals Employees’ Co-operative Bank Limited (BHEL Co-op Bank Ltd.,)**

The Bank was initially started in 1967 as an Employees’ Co-operative Thrift and Credit Society Ltd., to cater to the credit needs of BHEL employees. The society was registered on 21.02.1967 and was formally inaugurated on 10th March 1967 by
the pioneer and project administrator of BHEL Ltd, late R.S.Krishnan. This Co-operative society was recognized as a primary Co-operative bank by the Reserve Bank of India in May 1969. Since then, the bank has had a phenomenal growth due to the patronage of BHEL and sustained participation of members. The Bank has been maintaining good working results and it has earned a net profit of Rs.280.23 lakhs for the year 2005-06 and 196.82 lakhs for the year 2006-07. The bank has been paying dividend at a rate more than 14% (maximum permitted in the Co-operative Act) every year, by getting special orders from government. The bank has been awarded several shields by government, Co-operative Union in recognition of its performance. Every year during Co-operative week celebrations, the Co-operative week celebration committee presents “Best Working Bank” award to BHEL Employees’ Co-operative bank. The bank has also been placed under “A” class in Audit continuously. The bank has the distinction of being the one among “Top hundred Co-operative banks in India” and one out of four such banks in Tamilnadu.

Important Concepts of Training

Employee training is becoming a necessity to every organization now-a-days. Employees are entrusted with different roles and responsibilities in the banks. Training enables them to carry out these roles and responsibilities efficiently and also learn new things, which will prepare them to take up higher responsibilities in the future. According to C.B.Mamoria “Training is a process of learning a sequence of programmed behaviour. It is application of knowledge and it attempts to improve the performance of employee on the current job and prepare them for an intended job”. Employers are increasingly recognizing the prime importance of un-interrupted development of knowledge and skills of the workforce. Job Competence is the patent product of technological advances, employee advancement, economic changes and a
host of other factors. And accordingly, training, never a one-time exercise, is indeed the every-day job of every individual. Succinctly, training has developed into a universally recognized continuous process of direction, correction and improvement at every level of performance, and it is now an integral part of work and development of every organization, large and small. Certainly, training builds up the human resources that are an organization’s crucial assets whose skills and motivation are the main spring of its success.

**Training Methods**

Training methods are usually classified by the location of instruction. On-the-job training is provided when the workers are taught relevant knowledge, skills and abilities at the actual workplace; Off-the-job training, on the other hand, requires that trainees learn at a location other than the real workspot. Some of the widely used training methods are listed below.

1. **Job Instruction Training**: is a four-step instructional process involving preparation, presentation, performance try-out and follow-up. It is used primarily to teach workers how to do their current jobs. A trainer, supervisor or co-worker acts as the coach.

2. **Coaching**: is a kind of daily training and feedback given to employees by immediate supervisors. It may be defined as an informal, unplanned training and development activity provided by supervisors and peers.

3. **Mentoring**: is a relationship in which a senior manager in an organization assumes the responsibility for grooming a junior person. Technical, interpersonal and political skills are generally conveyed in such a
relationship from the more experienced person. The main objective of mentoring is to help an employee attain psychological maturity and effectiveness and get integrated with the organization.

4. **Job Rotation**: This kind of training involves the movement of trainee from one job to another. The purpose of job rotation is to provide trainees with a larger organizational perspective and a greater understanding of different functional areas as well as a better sense of their own career objectives and interests.

5. **Apprenticeship Training**: Most craft workers such as plumbers and carpenters are trained through formal apprenticeship programmes. Apprentices are trainees who spend a prescribed amount of time working with an experienced guide, coach or trainer. This type of training helps to maintain skilled work force on a continuous basis.

6. **Special Assignments**: is a method used to provide lower-level executives with first hand experience in working on actual problems. Executives from various functional areas serve on “boards” and are required to analyze problems and recommend solutions to top management.

**Off the job methods**

1. **Lectures**: in this method, specialists give theoretical knowledge through lectures. Problem-solving skills are also taught. An advantage of lecture method is that it is direct and can be used for a large group of trainees.
2. **Conference**: Here, the participating persons present papers on the selected topics. New ideas and innovations are presented followed by an open discussion, question & answers. Active participation takes place.

3. **Seminar**: In this method, selected reading material is distributed to the trainees in advance. They prepare and participate in the seminar in the form of group discussions, paper presentation, etc. It is a very good technique for learning.

4. **Case Study**: A case based on a management problem is analyzed, and discussed among the participants. They are divided into different teams to discuss different aspects of the case. Once they discuss these aspects, each team/group presents its points of view and finally the chairperson sums up the whole case.

5. **Role Play**: It is defined as a method of human interaction that involves realistic behaviour in imaginary situations. The participants play the role of certain characters, such as the production manager, mechanical engineer, HR manager, foreman and workers etc. This method used for developing interpersonal interactions and relations.

6. **Programmed Instruction**: The subject matter to be learned is presented in a series of carefully planned sequential units. These units are arranged from simple to more complex levels of instruction. The trainee goes through these units by answering questions or filling the blanks.
Evaluation of Training

Training program evaluation is the final phase in the training process, during which the effectiveness of the training program is measured. Careful evaluation provides information on participant’s reaction, how much they learn, whether they use what they learned back on the job and whether the program improved the organization’s effectiveness. This information helps banks to decide whether to continue to use a particular program in the future, whether to use a particular methodology of training in future or use some other Human Resource Development (HRD) intervention technique to solve the problem, etc. Analysis and Interpretation are discussed in the next chapter.