Human resource is one of the potential resources of any country’s economy. It is the wealth of the country. India, being a country with a large population, has a vast potential in its human resource. People have always been central to organizations, but their strategic importance is growing in today’s knowledge-based industries. An organization’s success increasingly depends on the knowledge, skill and abilities of the employees, particularly as they help to establish a set of core competencies that distinguish an organization from its competitors. With appropriate human resource policies and practices an organization can hire, develop and utilize the best brains in the market.

Human Resource Management is a strategic and coherent approach to the management of an organization’s most valued assets - the people working there who individually and collectively contribute to the achievement of its objectives. It is a process of bringing people and organizations together so that the goals of each are met. It tries to secure the best from people by winning their wholehearted cooperation.

Human resource management (HRM) is concerned with the “people” dimension in management. Since every organization is made up of people, acquiring their services, developing their skills, motivating them to high levels of performance, and ensuring that they continue to maintain their commitment to the organization are essential to achieve the organizational objectives. Getting and keeping good people is critical to the success of every organization whether profit or non profit, public or private.
Those organizations that are able to acquire, develop, stimulate and keep outstanding workers will be both effective (able to achieve their goals) and efficient (expending the least amount of resources necessary)

Thus human resource management is a process consisting of four functions - acquisition, development, motivation and maintenance of human resources.

**Human Resource Management Model**

In recent years there has been relative agreement among HRM specialists as to what constitutes the field of HRM. The model that provided was developed by the American Society for Training and Development (ASTD). In its study, ASTD identified nine Human Resource Areas.

1. Training and Development
2. Organization and Development
3. Organization / Job design
5. Selection and Staffing
6. Personnel Research and Information Systems
7. Compensation / Benefits
8. Employee Assistance
9. Union / Labour Relations
The output of this model is quality of work life, productivity and readiness for change.

1.1 Human Resource Wheel

Significance of Human Resource Management

The overall purpose of human resource management is to ensure that the organization is able to achieve success through people. HRM is concerned with achieving objectives in the areas mentioned below.

1. Organizational effectiveness

‘Distinctive human resource practices shape the core competencies that determine how firms compete’ (Cappelli and Crocker-Hefter, 1996)\(^1\)\(^2\)

HRM strategies aim to support programs for improving organizational effectiveness by developing policies in such areas as knowledge management, talent management and generally creating ‘a great place to work’.


1.2. Cappelli, P and Crocker-Hefter, A (1996), Distinctive Human resources are firms’ core competencies, Organizational Dynamics, winter, pp 7 -22
2. **Human Capital Management**

The human capital of an organization consists of the people who work there and on whom the success of the business depends. HRM aims to ensure that the organization obtains and retains the skilled, committed and well-motivated workforce it needs.

3. **Knowledge Management**

Knowledge Management is ‘any process or practice of creating, acquiring, capturing, sharing and using knowledge wherever it resides, to enhance learning and performance in organizations’ (Scarborough et al. 1999).  

HRM aims to support the development of firm specific knowledge and skills that are the result of organizational learning processes.

4. **Reward Management**

HRM aims to enhance motivation, job engagement and commitment by introducing policies and processes that ensure that people are valued and rewarded for what they do and achieve and for the levels of skill and competence they reach.

5. **Employee Relations**

The aim is to create a climate in which productive and harmonious relationships can be maintained through partnerships between management and employees and their trade unions.

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6. **Meeting Diverse Needs**

HRM aims to develop and implement policies that balance and adapt to the needs of its stakeholder and provide for the management of a diverse workforce, taking into account individual and group differences in employment, personal needs, work style and aspirations and the provision of equal opportunities for all.

**Good Human Resource Practices help to**

1. Attract and retain talent
2. Train people for challenging roles
3. Develop skills and competence
4. Promote team spirit
5. Develop loyalty and commitment
6. Improve job satisfaction
7. Enhance standard of living
8. Generate employment opportunities

**How HR makes an Impact**

In Guest et al. (2000b) the relationship between HRM and performance was modelled as shown in figure below.

![Diagram of HR impact](source: Guest et al, 2000b)

HR can make an impact by leading or contributing to:

1. The development and successful implementation of high performance work practices, particularly those concerned with job and work design, flexible working, resourcing (recruitment, selection and talent management), employee development (increasing skills and extending the skills base), reward and giving employees a voice.

2. The formulation and embedding of a clear vision and set of values (the big idea).

3. The development of a positive psychological contract and means of increasing the motivation and commitment of employees.

4. The formulation and implementation of policies which, in the words of Purcell et al (2003) meet the needs of individuals and ‘create a great place to work’.

5. The effective management of change.

**Challenge to Human Resource Management**

Ulrich (1998) suggests that environmental and contextual changes present a number of competitive challenges to organizations that mean that HR has to be involved in helping to build new capabilities. These comprise:

1. **Globalization** - It requires organizations to move people, ideas, products and information around the world to meet local needs. New and important ingredients must be added to the mix when making strategy: volatile political situations, contentious global trade issues, fluctuating exchange rates and unfamiliar cultures.

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2. **Profitability through growth** - The drive for revenue growth means that companies must be creative and innovative and this means encouraging the free flow of information and shared learning among employees.

3. **Technology** - The challenge is to make technology a viable, productive part of the work setting.

4. **Intellectual capital** - This is the source of competitive advantage for organizations. The challenge is to ensure that firms have the capability to find, assimilate, compensate and retain human capital in the shape of the talented individuals they need who can drive a global organization that is both responsive to its customers and ‘the burgeoning opportunities of technology’.

5. **Change, change and more change** - The greatest challenge that companies face is adjusting to - indeed, embracing-non-stop change. They must be able to ‘learn rapidly and continuously, and take on new strategic imperatives faster and more comfortably’.
SIGNIFICANCE OF TRAINING

The journey towards a knowledge economy demands the new additional type of competencies like team spirit, co-operation, etc. To reach the destination of knowledge economy in high productivity places like banks, the lifelong learning concept should be applied to its workforce. During the last ten years, “lifelong learning” has become one of the most frequently heard terms in training circles. This is perhaps an apt response to the increasingly rapid changes under-way in modern societies. As a sequel, every business entity worth its salt is placing utmost importance on the development of Human Capital - the knowledge, skills and motivation embodied in people. The growing share of economic output in the services sector, including that of banking is turning to be knowledge and information-intensive. This in itself is placing a high premium on the continued upgrading of skills and competencies of the workforce.

The growth of the knowledge economy that has, of course, partly been stimulated by demand for the new types of goods and services, increasing globalization of economic activities and technological changes, have only multiplied the need and urgency for new or additional type of competencies, such as team work, problem solving communication skills and capacity to see workplace development in a broader context, among the employees. With the kind of reforms and the resulting changes that are currently overawing the Indian banks, the urgency to inculcate such competencies among the workforce is getting intensified in the banking sector.

The significance and value of training has long been recognized. Considering the popular and often repeated quotation, “Give a person a fish and you feed him for a day. Teach a person to fish and you feed him for a life time”. This simple but profound saying is attributed to the wisdom of Confusius who lived in the 5th century BC. Given
today’s business climate and the exponential growth in technology with its effect on the economy and society at large, the need for training is more pronounced than ever. Training, in the most simplistic definition, is an activity that changes people’s behaviour. Increased productivity is often said to be the most important reason for training. But it is only one of the benefits. Training is essential not only to increase productivity but also to motivate and improve workers by letting them know how important their jobs are and giving them all the information they need to perform those jobs.

**Importance of the Study**

The study is conducted mainly to find out the Methods and Effectiveness of Training in selected public and private sector banks in Tiruchirappalli District. The present - day economy is very much dependent upon the various functions of banking practices; it is unthinkable for the country’s economy for its growth, sustenance and development without the role of banks.

The role of banks is essentially carried out by the people and therefore it is essential to have a well - trained and motivated staff to manage the banking operations. Success of the banking operations depend upon the people, the employee and the effectiveness of the employee is very much depending on the training input given to the employees.

The effectiveness of training is not static, it has to be periodically reviewed, updated and upgraded in tune with demanding situation of the economy, government policy, advancements in Information Technology and expectations of customers. All the above-mentioned aspects impressed the researcher to study the existing Training
Methods and their effectiveness in selected public and private sector banks and come out with recommendations for future.

**Statement of the Problem**

Employee training is becoming a necessity to every organization now-a-days. The banking industry in India is fast changing its shape. There are many challenges to be faced in the wake of this scenario. Training is the medium for banks to transform themselves to promise a better future. 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. In this study the researcher studies the existing practices of the various aspects of training program and its effectiveness in selected public and private sector banks in Tiruchirappalli District. This is mainly to assess the present status of the employee effectiveness in discharging the roles and responsibilities in tune with the objectives of the bank. The aim is to assess the effectiveness of the various facets of training i.e. employee’s attitude towards training inputs; quality of training programmes; training inputs and application of training inputs to the actual job.

**OBJECTIVES**

**Primary Objective**

To analyze the methods and effectiveness of Training in selected banks in Tiruchirappalli District

**Secondary Objectives**

1. To study the personal profiles of the respondents.
2. To find the factors responsible for effectiveness of training in banks.
3. To study whether there is any relationship between the dimensions of the training program.

4. To analyze the contents of the training program offered by selected Public and Private sector banks in Tiruchirappalli District.

5. To study the effectiveness of training programme between public sector, Co-operative and private sector banks.

6. To evaluate the adequacy of training facilities provided to the employees by selected Public and Private sector banks in Tiruchirappalli District.

**Hypotheses**

The following hypotheses are framed in this study

1. There is no association between personal profiles and effectiveness of training programme in Banks.

2. There is no significant relationship among the factors responsible for effectiveness of training programme in banks.

3. There is no association with effectiveness of training programme between public sector, co-operative and private sector banks.

4. There is no conventional relationship between the attributes of training programme in the Banks.

**Methodology**

**Source of Data**

This is mainly a descriptive study as it requires more of primary data. Primary data were mainly used for analysis.
**Method of Data Collection**

A well-structured questionnaire was used to collect the primary data. Two types of questionnaire were administered with the target sample population consisting of managerial cadre and clerical staff. Managerial cadre consists of branch manager and assistant manager. Clerical cadre consists of clerk, cashier and special assistant. For designing an effective questionnaire for the study, it was felt necessary to test the validity of the questionnaire. This was done by a pilot study consisting of visits to different branches of the selected seven banks for this study developing a draft questionnaire and getting opinion of the bank employees on the draft questionnaire. The questionnaire was finalized based on the comments and suggestions of the bank employees and also the enhanced exposure of the researcher based on the field visits to various banks. Secondary data for the study were collected from reputed journals, magazines, websites and bank records.

**Selection of banks**

In Tiruchirappalli district 46 banks are ensuring their presence and providing their services to public. Out of them three public sector banks, three private sector banks and one Employees’ co-operative bank have been selected for this study, such as State bank of India (SBI), Indian overseas Bank (IOB), Indian Bank, Industrial Credit and Investment Corporation of India Bank (ICICI), Housing Development Finance Corporation Bank (HDFC), City Union Bank and Bharat Heavy Electricals Limited Employees Co-operative Bank (BHEL Co-op Bank).
The above said seven banks have been selected for the study based on the following facts:

1. **State Bank of India**: It is the largest Commercial Bank in India. It has more than 9000 branches and commands one-fifth of deposits and loans of all scheduled commercial banks in India.

2. **Indian Overseas Bank**: It was the first bank to venture into consumer credit. IOB has been evaluated as number one bank based on performance of capital adequacy in the year 2004-05 as reported in chartered financial analyst.

3. **Indian Bank**:
   - Pioneer in introducing Self Help Groups and Financial Inclusion Projects in the country
   - It has obtained best performer award for Micro-Finance activities in Tamil Nadu and Union Territory of Puducherry from NABARD

The first bank to introduce the latest technology in Banking

- 100% Business Computerisation
- 168 Centres throughout the country covered under 'Anywhere Banking'
- Core Banking Solution (CBS) in 1377 branches and 77 extension counters.
- 523 connected Automated Teller Machines (ATM) in 190 cities/towns
- 24 hours service through 32000 ATMs under shared network
- Internet and Tele Banking services to all Core Banking customers
- e-payment facility for Corporate customers
4. **ICICI Bank**: It has been evaluated as number two among India’s best listed private sector banks based on factors such as profitability, efficiency, size and safety as reported in Business World survey report December 2006.

5. **HDFC Bank**: It has been evaluated as number one among India’s best listed private sector banks based on factors such as profitability, efficiency, size and safety as reported in Business World survey report December 2006.

6. **City Union Bank**: It was the only bank existing at Tiruchirappalli District, listed as topper under the small size sector; based on composite ranking performance 2004-05 research survey, published by chartered financial analyst.

7. **Bharat Heavy Electricals Employee’s Co-operative Bank**: BHEL has been recognized as one among NAVRATNA Companies situated in Tiruchirappalli District. BHEL Employees Co-operative 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. The bank has also been ranked as “A” class in Audit continuously.

    Every year the Co-operative week celebration committee presents “Best Working Bank” award to BHEL Employees’ Co-operative bank.

**Sampling Method**

Two types of questionnaire were administered with the target sample population consisting of managerial cadre and clerical staff. Systematic Stratified random sampling method was administered to collect data from target sample population. Total sample size for this study is 512 respondents. It consists of 454 respondents of clerical cadre and 58 respondents of managerial cadre.
Statistical Tools used

Using Statistical Package for Social Sciences (SPSS) analysis was made and following tools were used for the study 1. Chi-square 2. Factor Analysis 3. Regression 4. Rank Correlation 5. Cluster Analysis 6. Path Analysis using AMOS package and 7. Discriminant Analysis

Reliability Statistics

<table>
<thead>
<tr>
<th>Cronbach’s Alpha</th>
<th>Cronbach's Alpha Based on Standardized Items</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.899</td>
<td>.899</td>
<td>30</td>
</tr>
</tbody>
</table>

Cronbach's alpha is the most common form of internal consistency reliability coefficient. Alpha equals zero when the true score is not measured at all and there is only an error component. Alpha equals 1.0 when all items measure only the true score and there is no error component.

Interpretation: Cronbach's alpha can be interpreted as the percentage of variance the observed scale would explain in the hypothetical true scale composed of all possible items in the universe. Alternatively, it can be interpreted as the correlation of the observed scale with all possible other scales measuring the same thing and using the same number of items. Cut-off criteria: By convention, a lenient cut-off of .60 is common in exploratory research; alpha should be at least .70 or higher to retain an item in an "adequate" scale; and many researchers require a cut-off of .80 for a "good scale."

Limitations of the study

1. Respondents were bankers and always had a busy schedule with their work, which was a barrier to filling in the questionnaire.

2. Opinions of the respondents may change over time and situation.
3. There may be changes in training in the future which in turn may influence the outcomes of training effectiveness in the Bank.

In spite of all the above-mentioned limitations, the researcher had taken lot of efforts to achieve the objectives of his study.

CHAPTERISATION

This study consist of five chapters

Chapter I  The first chapter deals with the importance of the study, statement of the problem, objectives, methodology and limitations of the study.

Chapter II  This chapter deals with the review of literature related to human resource practices in particular training.

Chapter III  This chapter deals with banking industry, the profile of the banks, various training methods and training evaluation.

Chapter IV  The fourth chapter deals with analysis and interpretation.

Chapter V  This chapter deals with the findings, suggestions and conclusion of this study.