CHAPTER - FOUR
4. HUMAN RESOURCE DEVELOPMENT

4.1. INTRODUCTION:
Personnel function had long been one of the most neglected banking functions. The beginning of the HRD era in India brought banking industry in its fold during the late 1970s and the beginning of 1980s. HRD is thought to be “a continuous process, to enable every individual to work in as a member of an effective team and to realise and activate his/her potential which enable an individual to achieve the organisation’s goal, and in the process derive a lot of intrinsic satisfaction”.

HRD is primarily concerned with helping employee develop through training, feedback and counselling by their senior officers and other development efforts. It consists of sub-systems like Training, Career Development, Performance Appraisal etc.

4.2. TRAINING:
It is now widely recognised that training is a powerful instrument for improving staff productivity through development of people. But what is not appreciated is the fact that training is a scientific field, and like any other scientific activity demands exactitude of objectives and methods. Training is an specialised function. It is also one of the fundamental operative functions of Personnel Management. The training directly contributes to development of all kinds. But it also happens to be one of the least attended function. The training exposure per employee in Indian banks is only 1.5 days in a year compared to five days in the U.K. and fifteen days in the U.S. Although the scenario is progressively changing and more and more emphasis is being given to training, but still it is argued that wrong nominations and faulty post training placement, continue to blemish the training system in India.
The problem of training in today's banks represent a qualitatively and quantitatively different kinds of problem than it did for the bankers about a decade ago. Narsimham Committee observes that modern banking is getting 'skill intensive' and 'employee training', therefore, has to be recognised as an important investment, to develop skills and attitude among staff. The reasons for this shift towards training is mainly due to intensive competition from within and outside, the changing work technology, diversification, liberalisation and technological introduction and/or upgradation to mention a few, apart from personal aspirations of individuals to grow higher in the organisation. Some of the skills required for an effective banking can be learned on the job, but others requiring specialised knowledge have to be learned off-the-job. For example, the training need of a new enterent would be different from the existing personnel, similarly the requirement of clerical staff would be different from the managerial staff. Even within the managerial staff, there would be a clear distinction between the requirement of JMGs, MMGs and SMGs.

The employee facing job redundancy \(^{192}\) will require an entirely different kind of training for redeployment. The objective of this section is to provide a brief over-view of training system in banks and then to delve upon the issue of the training in the era of computerised banking, and also to look at the problems and prospects. As far as possible the traditional description viz., methods etc will be avoided. Since it could be seen from the available literature.

### 4.2.1. Inception of Training in Banking:

The training as an organised activity in Indian banks started during the 1950s. It was basically aimed at developing operational skills among the bank employee. The Reserve Bank of India (RBI) established the Bankers Training College (BTC) in 1954. Initially, British Experts were invited to set up the College and to train the instructors apart from teaching sound banking to the Indian bank managers as understood in Britain. The early participants were mostly bank
managers. At about the same time the then Imperial Bank set up a training school at Calcutta and subsequently at Bombay and Madras to train the probationary assistants. But it is the establishment of the Staff Training College at Hyderabad in December 1962 which is said to be the turning point in the history of training in the banking industry. These colleges imparted training in general management, personnel management, and industrial relations. During the early days, BTC had collaboration with Indian Institute of Management, Calcutta, for training of the participants who were mostly middle level managers.

The RBI appointed Adarkar Committee\(^{193}\) in 1968 to examine the training system in banks, and to suggest the lines on which management orientation programmes were to be organised for the senior and the middle executives; to ascertain the adequacy of training available to supervisory staff of commercial banks; and to suggest measures for coordination of activities of training institutions; and periodic review of the activities. The recommendations of the committee led to the establishment of National Institute of Bank Management (Pune) in 1968 itself. The NIBM, an apex body which runs training programmes for managerial staff of different banks apart from being involved in testing procedure for recruitment of the bank personnel.\(^{194}\) Various committees have examined the working of training system in banks. A committee of direction for for public sector banks was set up in 1972 for monitoring the training activity in banks. The Raj committee in 1978 found that all was not well with training and the problem need special study.

4.2.2.\textbf{Need for Formal Training:}

Job of a routine or repetitive nature are best learnt while actually doing the job. But there are many limitations of on-the-job training:

1. On-the-job a person learns only the ‘how’ of a job and not the ‘why’ of it.
2. Jobs involving certain concepts, principles and/or are too complicated to be given to a novice, can not be learnt on-the-job.

3. The job contents or the methods of performing the job are changing fast because of knowledge explosion, innovations, environmental changes, pressures from competitions etc. These changes are best absorbed by formal training.

4. When banks wish to give futuristic orientation to their people, their ability to look beyond their current job and how the banks must adapt itself to these anticipated changes, training is the answer. and

5. Skills in certain areas such as innovativeness, planning, human relations, analysis of data need specialised knowledge which can not be developed on-the-job.

4.2.3. Present Training Infrastructure:

At present, virtually all banks are having training College(s) and staff training centres spread all over the country to train their employee in-house. There are about 247 training establishments run by the 28 public sector banks alone. Besides these, there are national level training institutions such as National Institute of Bank Management (NIBM), Bankers Training College (BTC), College of Agricultural Banking etc. At regional level; South India Banks’ Staff Training College, Northern India Banks’ Staff Training College, and North-Eastern Institute of Bank Management.

4.2.4. In-house Training facilities:

Almost all banks are having training college(s) at the apex level and the staff training centres at the zonal level. In 1954 the Bank of Baroda had merely two training centres, but as the time progressed and business expanded, the bank established two Staff Colleges along with an Institute of Rural Development (IRD) and also an Institute of Information and Communication Management (IICM). It also established staff training centres at zonal centres/regional centres.
to cater to the training needs of its employees. The training facilities includes audio-visual and a large number of PCs for training in computers. It has also installed PCs at the training College level for administrative uses.

The State Bank of India, the largest bank in India, has a wide network of training institutions. There are four apex level institutes/colleges and fifty five staff training centres (STCs) spread all over the country. State Bank of India is also unique in the sense that it is perhaps the first bank in India to establish an institute at Hyderabad for the training of its personnel in Information Technology and Management. The State Bank of India with its wide network of training institutions can train about 2715 trainees at any given point of time (399 at apex level and 2316 at STCs or 1.02 per cent of its total workforce).

Similarly, Canara Bank has one apex level Staff College at Bangalore and 14 regional staff training centres at the zonal level. Punjab National Bank, yet another premier bank, has one staff College in Delhi, apart from Staff Training Centres at zonal level for the training of its personnel. All other banks are having more or less similar in-house training facilities at their own level.

The banks train approximately 1/3rd of their employees every year through in-house institutions. For example, Bank of Baroda trained 43 percent of their total workforce during the year 1992-93 (91 per cent officers, 24 per cent clerks and 21 percent subordinate staffs). The above figures also include 54 per cent of the total Schedule Castes/Schedule Tribes candidates who are finding special treatment in training, too. Canara Bank trained 36.68 per cent of their workforce during the same period (63.32 per cent officers, 31.89 per cent clerks, and 16.46 per cent subordinate staffs). Punjab National Bank trained around 31.32 per cent of its work force during 1992-93. The banks on an average organise around 100 training programmes every year to train their staff in-house.

During the year 1988 a total of 2.82 lakh employees were trained in banks consisting of 34.5 per cent of the total staff strength of the banking industry. Of
the total employee trained, 96.6 per cent were trained in-house and the remaining 3.4 per cent through the external institutions.\textsuperscript{197}

4.2.5. Training Need Identification:

Indian Banks are progressively refining their planning and budgeting system. The manpower plan provides basic data for banks training plan.\textsuperscript{198} Most of the banks in India have developed a system of matching training needs of the employee with that of organisation’s need. The data generated by manpower planning viz., number of persons to be promoted/recruited, the qualification and skill mix required and the time when such persons would be required, may be useful in training needs identification. The data for training is also generated by the annual appraisal system which provide the employees a choice for a particular type of training which the individual feels would benefit him in performing his job better and also help him achieve his career goals. Therefore, the need identification begins at the grass root level and culminates in the apex level plans.

The regional/zonal plans are prepared on an yearly basis wherein the training needs of individuals are matched with the existing training packages. This match results into a regional/zonal level plans. Then at the apex level the needs are identified based on corporate plans for new course(s) of action, diversification, adoption of new technology and/or critical area approach or deficiency area in management. Before arriving at a final plan the total organisational perspective is kept in mind. Through these exercises, the areas for training are identified which may be function specific, area specific and need specific.\textsuperscript{199}

In PNB, training needs are identified by certain committees. For apex level staff training, an advisory committee is constituted by Principal Staff College as convener, G.M. Administration as chairman, and other members are AGM Personnel, DGMs of all functional areas, and any other member as directed by the chairman. The training needs for Zonal Training Centres are assessed by the Zonal Training Advisory Committee. It comprises of Zonal Manager as chairman,
The training needs can be identified at three levels:

1. corporate level,
2. group level, and
3. individual level.

In corporate level analysis, the manpower requirements in terms of number in each category is to be derived from the business plan. Besides the existing areas of deficiencies are identified. For this purpose such reports as the RBI annual appraisal report and inspection and audit reports can be used. The group level analysis essentially consists of identifying the performance responsibilities of different categories of personnel and their capabilities. This requires the classification of entire manpower of the bank into convenient role categories. The third level analysis is based on the information on individual employees such as personnel inventory records, performance appraisal reportss etc. In the absence of a full fledged personnel information system along with inventory of manpower the third type of analysis is not possible.

4.2.6. Objectives of Training:

There are several objectives of the training. A fresh entrant is to be oriented about the organisation; norms and rules, and to the career opportunities open to him in the organisation. The existing workforce may be required to acquire new skills or upgrade their existing ones for the purposes of promotions and transfers. Similarly, some staff may have to be prepared for special assignments. In the present context, training of different types in computers including specialised computer skills have to be imparted. We may briefly sum up the objectives of training as:

1. Orientation Training;
2. Training to cope with the present and the future organisational needs;
3. training for better on the job performance;
4. training to build up an inventory as a second line;
5. training to learn critical/exceptional skills etc.

The above training can be imparted both in-house as well as outside the organisation.

4.2.7. Nomination of Participants:
Depending on the nature of programme, participants are nominated at the apex level by the central personnel section, mainly for training at central staff colleges and external institutions. The participants to Staff Training Centres are nominated by both the Regional Offices/Zonal Offices and branch managers. For example, for a programme on Industrial Relations where branch managers are the identified group, nominations are made by the zonal personnel managers. A programme of two weeks duration where people from personnel division of head office and few employee from each zone are to participate, nominations are made by the personnel division of head office and the zonal managers. Some times in the absence of up-to-date information the same person is nominated more than once, for a course. It is at this point that computerised training system is playing a crucial role in banks like the State Bank of India and the Bank of Baroda like many other banks.

4.2.8. Training Content:
The training content is usually determined after a great deal of exercise by the training colleges/Staff Training Centres in consultation with the head offices. The training content is determined by taking into stock the requirements and changing needs of the organisation. It is the target group which is of prime importance in determining the training packages. For example, training of higher level executives would require more theories and concepts whereas at the lower level, emphasis would be more on techniques methods and applications. Similarly, the training
content required for computer operators would be different from the requirement of an analyst.

4.2.9. Training Evaluation System:

Every participant is to undergo the process of evaluation, before, during and after the training. This is mainly to ascertain the effectiveness of training and at the same time the receptivity of the employee. In general a four stage evaluation is undertaken by the banks.

i. Entry level (at Training Colleges/Staff Training Centres),

ii. During the course of training (at Training Colleges /Staff Training Centres),

iii. Exit level (at Training Colleges/Staff Training Centres), and

iv. Application level (at work stations).

All the four stages may not be followed by all banks but in one form or the other these evaluations are made. In some of the banks the system of evaluation has also been computerised.

4.2.10. Training - The Present Scenario:

One of the impacts of the new technology is undoubtedly a greater need for general awareness training of the staffs who have not grown up to take for granted computers and the way in which it can be used. Much of these can be gained from using home or personal computers, watching television programmes about computer by the UGC and other institutions. It is believed that the future recruits in the industry would already be familiar with computer technology and a number of them would be well versed with computers. This is evident from the fact that a large number of institutions have made computer awareness as an examination subject, but special training and development programmes may have to be organised for the elder staffs. We must also take into account the management graduates and other courses having computer as a part of the curriculum.
Rangarajan Committee (1989), felt that the banks have to resort to a judicious selection and training of personnel mainly from within the banks. It is estimated that during 1990-94, about 56,250 Data Entry Terminal Operators, 5625 Supervisory Staff, 8,100 EDP Managers, 2,000 Specialists and 400 Trainers would need to be trained. A general awareness programme for about 100,000 officer staff may have to be conducted. Training Institutes of banks as well as NIBM need to augment and strengthen their faculty and infrastructural facilities. It also recommended for the setting up of a separate institute for training in computers and communication system and office automation.

Macro level data on training programme indicates that the number of officers trained in computer operations and processing up to 31.03.1993 were 34,000, and for the same period there were about 18,500 persons trained on ALPMs where as the data on computerisation suggest that about 2,303 branches are already having ALPM installations. The number of Mini Computer installations in Regional Offices/Zonal Offices were 307, and there were 13 mainframes installed at the head offices and many more are in process. The number of branches taken up for computerisation are about twenty eight. So far only 5 per cent of the total staff has been exposed to computer applications and they, too, are not having much exposure on hardware maintenance.

The area where banks need to pay attention is ‘in-house development’ of ‘various application software’ for meeting the specific needs of the banks, on Management Information System etc. Banks could possibly set up a separate “Software Development Cell” and also impart specialised training. Some of the banks are said to be self-reliant in this area. But the majority of banks are still hiring technical consultancy from outside the organisations, these are concerns specialising in the field of information technology. But the trend is towards self-reliance in this area- a difficult task due to the very nature of technology.
The computerisation issue has brought forth four concomitant actions:

i. Identification of Personnel,
ii. Training of Personnel,
iii. Selection of hardware and development of software,
iv. Provision of infrastructural facilities.

It is with the first two issues with which we are concerned here. The first Rangarajan Committee (1984) placed the manpower need of computerised banking for 1985-89 at 40,000-45,000 operators and 1000 systems Analyst and programmers at the branch and the apex level respectively. The training of the operators was to be handled by the individual banks whereas that of the systems analyst at the National Institution of Bank Management. The personnel requirement was to be met largely from the existing staff. But not only the number to be trained were too large but the diverse nature of training to be given also posed a problem for the training colleges as they were not equipped with the necessary facilities. The time span in which training has to be give also posed the problem of a different kind. The shortage of resource in terms of trainer had to be sorted out.

4.2.11. Training of the Trainer:

To train the EDP men and to provide necessary orientation to the staffs of the user department, there was no option but to establish facilities within the banks. The trainers of the future had to be trained first. Where will these trainers get training and in the mean time to continue with the process of the training of the other staffs of the banks. There were two options open to banks; one, to hire experts from outside on a part time basis and second, to train existing faculty members at the outside institutions. The later option required the deputation of faculty members to outside institutions for training. The former could be only be done on a part time basis due to a very high cost involved in hiring expertise from outside to train the trainers as well as other staffs. The short duration training opted by some banks were not found to be good enough as diverse skills had to be learnt which required
long duration training. The establishment of Computer Policy and Planning Department and the training courses conducted solved the problems to some extent, and still the Computer Policy and Planning Departments are working towards the training and awareness of the data base administrators as well as the users. Most banks are seeking help from the National Institute of Bank Management for high skill training whereas the various organisations mushrooming in the country are considered good enough for an awareness training.

4.2.12. Training in Computer Area:
The computerised banking calls for training in the following areas:

1. Keyboard proficiency,
2. Computer interface with branch accounting,
3. Computer security,
4. Basic trouble shooting,
5. Data base management system,
6. Computer fundamentals,
7. Electronic spreadsheet,
8. Word processing,
9. UNIX
10. Communication softwares,
11. Hardware and UPs site preparation,
12. Facilities management,
13. Software Engineering,
14. MIS, DSS, and ESS,
15. Computer Audit,
16. Viruses etc.
4.2.13. Training Agencies:
A large number of Universities/institutes run 120 hours computer programmes for bank personnel. Many banks sponsored their personnel for training from these institutions but the standard of training and their skill level is said to be questionable. Another problem that of uniform standard also comes up in opting for this kind of training. The other option may be the organisations for which Computer Society of India & Department of Electronics is the examining body. for O, A, B and C level. The body popularly known as DOECC. The coaching facilities for this kind of examinations are widespread and banks are taking advantage of this arrangement. However, these courses may be good enough for training in the area of low skill requirements only.

There are quite a few solutions suggested by the experts for improving the efficiency of training. The visiting faculty scheme is one of such suggestions. But what banks need is a permanent solution to the problem and not a make-shift arrangement. This calls for establishment of either a separate college or a wing in each college for computerised training or a joint facilities. But the latter may not me a viable proposition.

4.2.14. Teaching Methodology:
With regard to the computer training, the teaching methodology must be upgraded. This should have more practice bias. Even in theories, the use of audio-visual materials and tools as an aid to effective training should frequently be made. Self taught lessons may be developed with the help of presentation packages like HPG, Demo Designer (DD) etc. The computer may also be used for Computer based learning tutorials, computerised gist of circulars and problem solving exercises. Extensive library facilities must be made available and if possible a computerised library system. The BTC envisaged the use of computers in the following area of their operations;
i. For developing and updating teaching aids, such as case studies, exercises etc.

ii. Interactive application for:
   a. concepts, nomenclature, definitions, explanations, sources of data etc.
   b. reference, bibliography of articles, circulars, books, other publications.
      like reports/pamphlets etc.,
   c. Quantitative as well as descriptive information contained in various circulars. But these uses are mostly administrative and meant strictly for library purposes but no doubt this will facilitate the participants learning process.

As far as change in orientation is concerned, Rajgopalan has suggested following change in teaching methodology:

<table>
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<tr>
<th>EXISTING PATTERN</th>
<th>DESIRED REORIENTATION</th>
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<tr>
<td>1. Training on adhoc basis</td>
<td>1. Training on a continuous basis (need based).</td>
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<tr>
<td>2. Andrology as teaching methodology</td>
<td>2. Focus on pedagogy as teaching methodology.</td>
</tr>
<tr>
<td>3. Focus on Knowledge &amp; Skill</td>
<td>3. Thrust on multi-skill.</td>
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<tr>
<td>6. Treated as ritual and simple evaluation after conclusion of training.</td>
<td>6. Evaluation to be continuous on scientific training parameters.</td>
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<tr>
<td>7. Training needs assessed on adhoc basis.</td>
<td>7. Need assessment to be based on data.</td>
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<tr>
<td>8. Trainer as coordinator</td>
<td>8. Trainer as a change agent.</td>
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The computerisation of banks has brought about many changes. The American Society of Personnel Administration identified education, training and re-training as three out of the five basic areas in which the change is most expected.\textsuperscript{212}

4.2.15. Personnel Information System/Human Resource Information System and Training:

The training and career Development module in a typical Personnel Information System/Human Resource Information System include the following:

1. Training Administration,
2. Training Needs,
3. Formal Education Needs,
4. Training Evaluation,
5. Computer Based Training,
6. Career Profile,
7. Future Development and

We find that in Indian banks the personnel inventory system is in the process of development but in some banks it is already well developed. However, we could no where find a computerised Human Resource Information System (HRIS) in existance in its full form having all the above as part of training sub-system. No doubt computers are in use at the apex level the zonal level and even at the training colleges where particulars of employee are available to be used for training administration and other related purposes. The reports generated with regard to training from inventory system are as follows:

1. List of Officers who have undergone training,
2. List of officers who have not undergone any training,
3. List of officers who have undergone special training,
4. List of special category employee trained,
5. List of special category employee not have had training etc.
But these reports alone can not serve the purpose unless we have a well-developed computerised training system in banks for which infrastructural facilities in the form of hardware, and manpower already exists, what is required is the development of software and involvement of the top management.

4.3. PERFORMANCE APPRAISAL SYSTEM:

4.3.1. Introduction:

Performance Appraisal is an exercise aimed at generating adequate data on a person's contribution to the organisation's critical functions and his ability/potential in a given period of time. The data generated over the years help management make decisions about a particular employee or a group of employees regarding their pay, placement, promotion, transfer, and training. It may also be used for development, rewards and punishments. In other words data generated through performance appraisal provides video tape image of an employee for decision concerning their internal mobility and control. Thus the performance appraisal system is a sub-system of the total system called Human Resource System (HRS) or Human Resource Development (HRD).

Performance appraisal in pre-HRD era was mostly in the form of confidential reports of the subordinates by the superiors/boss. In this system much depended on the nature of relationships between the appraiser and the appraisee for ratings which would lead to reward and punishment. The appraisee had no direct role to play in the appraisal process. There was no feedback mechanism in existence and the developmental needs did not get any reflection in the performance appraisal system. The HRD era itself started during late 1970s, when a more scientific and data base approach for appraisal system was developed. The appraisal system is said to be one of the most developed personnel sub functions in banking industry today. It has been a subject of discussion in a large number of seminars and conferences in the banking sector.
But literature on the subject still remains scanty and most of the writings are by the western management practitioners and academia. In this section an attempt is made to summarise the concept as found in the literature and also incorporate the views expressed by the persons interviewed. However, due to the sensitivity of the subject not much information was supplied by the executives consulted.

4.3.2. Performance Appraisal System in Indian Banks:

Performance Appraisal in banking industry has been one of the most attended functions. Since the industry is both homogeneous as well as labour intensive, it is the performance of the workforce which in the long run helps the bank achieve its objective in the long run. Prior to the HRD era, most banks used a traditional appraisal system, where officers were assessed on characteristics such as, “general intelligence, job knowledge, initiative and resourcefulness, supervision, business capacity, ability to assess sound business propositions, dependability, inter-personal relations, relations with public, sociability, appearance and dress, conduct, manners, managerial ability, health, special attitude, significant achievements and failures attracting warning from superiors”.

The beginning of HRD era also marked the development of an open appraisal system where the appraisee has an important role to play, from the point of identification of Key Performance Area (KPA), to the joint assessment sessions. But this extreme approach in a hierarchy-based organisation was not to prove worthy and there came many changes in the system to the extent that today no uniform system of appraisal exist in Indian banks. Inspite of effort by the Indian Bank’s Association, no uniform system of appraisal could yet be devised and banks continue to have their own appraisal formats. But whatever may be the difference one thing remains common that is the objective or purpose of appraisal.
4.3.3. Objectives of Performance Appraisal:
Performance Appraisal System or Annual Appraisal System monitors the vertical movement of the employee within an organisation, by keeping track of their merit ratings, promotion recommendations and annual salary review. Therefore, we may safely say that the objectives of Performance Appraisal System (PAS) are three fold:

1. Administrative;
2. Promotional; and
3. Developmental.

Administrative decisions based on data generated by PAS refers to decisions like annual enhancement in salary, work budgeting, or performance budgeting, reward and punishment and placement. Promotional objective on the other hand concerns with one of the most critical decision area on which the motivation and demotivation of the employees is based. Since there would be very few openings available in the organisation and unless the performance data is carefully used the consequences may be disastrous. The developmental purpose is one where decision concerning training and management development and career planning are taken. Most often decisions are based on the data generated by PAS along with the counselling and discussion with the individual employee. The PAS helps both management as well as the employee in achieving organisational objectives along with individual career growth in the organisation.217

4.3.4. Types of Appraisal System:
Initially, the informal confidential reporting system was the only available appraisal system. But this lacked any developmental need and was perceived to be an instrument of rewards and punishment. Then came a semi-transparent system of PAS based on key performance area, which provided ample scope for appraisee’s participation and amalgamated developmental needs of an individual as well as organisation. But this kind of system completely eroded the authority
of the supervisors. Thereafter came yet another type of appraisal system which is widely used and said to be fully transparent “Open Performance Appraisal System”, where appraisee not only participates in the system but also gets an opportunity to contest on the point of dispute. Canara Bank has recently introduced an on-going performance appraisal system for promotion related decisions and a feedback system for the clerical staff by issuing periodic “progress report”.218

The Canara bank is also a pioneer in adopting “Management by Objectives” (MBO) approach of PAS. MBO is a result oriented method where the superiors observe the subordinate’s performance as measured against specific and predetermined goals along with attitudes, actions and general job behaviour. It has the element of participation by both the supervisor and subordinate in determining the duties and responsibilities for a specified period. The appraisals are only of the pre-agreed duties and responsibilities and subsequent feedback system to draw future action plans.

4.3.5. Steps in Performance Appraisal System:
An analysis of various performance appraisal forms indicate that appraising involves three steps: defining the job, to appraise performance, and to provide feedback. The first step relates to an agreement on what is expected from the appraisee to accomplish and on what standards the appraisee’s performance will be appraised. The second step involves comparing the performance with pre determined standards. And the third step involves several feedback sessions which is often found to be missing in the banking industry.

Every employee in the organisation is to be appraised on the basis of his/her performance over a period of time, which is generally one year. The appraisee is asked to provide biographical details comprising of personal data, previous assignments, training programmes attended, major health problems etc. In the second section, self appraisal is done by the appraisee where he/she highlights
of his/her performance area in which the person performed well, as also the
constraints faced, which would help the person perform better, any outstanding
performance outside the bank (assigned by the bank) and to provide a list of task
the person was expected to perform during the assignment period.

The appraiser gives their comment on key responsibility area and also the
mean score in each area on a certain scale. Generally a 82-100 per cent score
would be considered outstanding, 62-80 good, 40-60 average and less than 40 as
below average. For operational/non-operational assignment’s managerial
dimensions, too, is to be considered where appraiser assigns marks to jib
knowledge, leadership, decision making administrative skill, public relations and
integrity and honesty. Here, too, a four category assessment is made, above 80
per cent is considered outstanding, above sixty but below 80 per cent as good,
between 40-60 as average and below 40 as below average. Then the appraiser
provides an overall rating in each area and arrives at a total and passes the form
to the reviewer, generally a higher authority than the appraiser, and the latter also
provides his scores and finally the comments of the appraiser and reviewer are
given on the potentialities of the appraisee and suggestion regarding placement,
training needs and comments on self appraisal.

4.3.6. Human Resource Information System/Personnel
Information System and Performance Appraisal System:
In a typical Human Resource Information System, irrespective of the nature of
industry a performance appraisal application would be included which serves
variety of purposes. It can be used to determine administrative action, to help the
individual develop better job skills. It also serves as a monitor for other Human
Resource sub-functions. The performance management programme is quite
comprehensive, ranging from individual performance appraisal to the employee
grievance programme.
A Human Resource Information System application in performance management generates many reports; Performance Appraisal Administration, Individual Performance profile, Group Performance Report, Rater Reports and Rating Instrument Reports. However, anything of the kind mentioned above is not yet available in any industry let alone banking. The reasons may be that full computerisation is yet to take place. In the banking industry records are either maintained on stand alone Personal Computers or on Mini Computers at the Electronic Data Processing cells or at the Head Offices but it is not an integrated system yet. In the absence of full computerisation and on-line system, this kind of application is difficult to run.

It has been found that employees were much more interested in performance and career opportunity information than any other topic. The studies on performance appraisal suggest that the bank executives seem to prefer an open appraisal system. One, which is performance based and also offers an opportunity for the appraisee to communicate with the appraiser. In a personal interview a series of questions were asked to a cross section of employee, to gauge their perceptions regarding various aspects of this Performance Appraisal System. The majority of the respondents felt that the Performance Appraisal System is being used mainly for giving ratings for the promotional process. Almost all of the employee interviewed showed apprehension towards its use for any developmental purposes like the training needs assessment, counselling etc. The majority felt that the system suffers from various drawbacks. It is subjective, based on personal relations, and suffers from the error of central tendency. Therefore, an objective system of performance appraisal should be devised. But the senior executives claimed that the system is playing a large role in forward planning in the industry. Banks like the State Bank of India has incorporated trait based appraisal system to supplement the Performance Appraisal System data for the decision making, but to what extent it is useful, can only be gauged by the success of the concerned
organisation. An altogether new system may also be devised on the lines suggested by Pusegaonkar, based on the Individual Performance Planning and Review (IPPAR).

4.4. CAREER PLANNING:

4.4.1. INTRODUCTION:

There has been tremendous expansion in the banking industry during the last three decades. The branch expansion of 1970s was taken over by diversification resulting in an increased specialisation such as the merchant banking, mutual funds, housing finance, leasing, factoring, and the international business. This was coupled with computerisation of operations. At one time, career in banking was regarded as a challenging and lucrative job which attracted people from diverse educational backgrounds. But in recent past the same qualified and experienced persons started feeling frustrated, dissatisfied, and alienated. Alongside, there is found to be an increased pressure on profitability, rise in non-performing assets, growing number of frauds, and disruptive activities of the unions.

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<thead>
<tr>
<th>Description</th>
<th>Bank Frauds</th>
<th>Corrupt Practices</th>
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<tr>
<td>Employees Convicted</td>
<td>164</td>
<td>54</td>
</tr>
<tr>
<td>Employees Penalised</td>
<td>1567</td>
<td>1277</td>
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<td>Employees Removed/Disch.d</td>
<td>593</td>
<td>182</td>
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<td>Empl. facing Court Cases</td>
<td>1277</td>
<td>569</td>
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<td>Empl. facing deppt. proceed.</td>
<td>2841</td>
<td>2337</td>
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What contributed to this kind of maladies? There can be many factors responsible but there is no denial from the fact that the lack of manpower, career planning, motivation and managerial deficiency is at the very root of the problems.

As most organisations grew in size either as a result of merger or individual growth, the problem of proper managerial succession has become one of the major problems. Not only the fact that succession is a problem for the immediate, but it is also a problem for the continuity and efficiency of the organisation. “Indeed it is a solemn duty of today’s management to provide for tomorrow, and tomorrow’s management will have to be that bit sharper than today’s if the business is to make progress or indeed to survive”.224

It is observed that the employees usually have vague ideas about their career and aspirations, and do not plan their career at the personal level, and in a systematic manner. Some employees tend to stick to a particular geographical area owing to personal reasons. A systematic career planning not only help in overcoming this kind of problem but also helps the management draw a long range plan for the organisation concerned.

4.4.2. Objectives
The main aim of career planning is to ensure succession. Although succession planning is meant for the higher executives, career planning covers a broad spectrum of executives. It ensures that whenever necessity arises to fill a higher position in the organisation, an equally, if not more competent person is invariably available to occupy that place. This kind of internal movement can help in avoiding high cost of hire from outside.

4.4.3. Career Planning in Banking:
In banking industry, where majority of recruitments are at the initial levels in each cadre except in the newly created Computer Policy and Planning Department and the Electronic Data Processing sections, career panning is the only and perhaps the most effective means available to fill higher positions. Career plan also allows
the employee to see exactly where he/she can reasonably expect to be, within a specified period of time. This may result in high morale and commitment towards the organisation. The objective of career planning is not only to replace one individual with another but also to improve the performance of the latter and to put him as the best fit. A number of studies on worker satisfaction point out that the financial gain is not the primary reason for job change but it is the professional growth. Therefore, position in Indian banking industry is no exception. Career Planning is meant to make an employee aware of various phases of development in the organisation and help the individual employee plan their career path from the point of entry to the time of their retirement. It may said to be a management technique for mapping out the entire career of a young employee in higher skill, supervisory and managerial positions. It may also be called a process of synthesising and harmonising the needs of the organisation with the aspirations of the employees, where both gain in the long run.

The career planning process would help evolve a systematic framework which would match the requirement of all the three; industry, bank and the employee.

**INTEGRATED PROCESS OF CAREER PLANNING**

Career Planning should be undertaken at three levels:
1. Individual- Employee level,
2. Organisation/ Bank level, and
3. Industry level.

A well defined career planning at all the three levels would require data regarding the individual employee as well as the classification and categorisation of jobs. A sample data elements may be seen as under:

* Personal Data- name, date of birth, employee identification number, native state, languages known (read/write/speak) marital status, if married, then the details of spouse etc.
* Qualifications Data- at the time of entry and qualification acquired after entry into the banks (professional qualifications like CAIIB etc).
* Experience Data- at different levels including special assignments held.
* Training Data- both in-house and outside during employment.
* Performance Appraisal Data- ratings over a period of time.

The above list is an illustrative one and by no means exhaustive. Much of the above data elements are now available with majority of banks in their personnel inventory system and can be used effectively for the purpose of career planning exercise. For a well defined career path, banks should inventory all grades/positions and define entry points and qualifications including required personal qualities. The career path may be developed for the junior, middle and senior positions to suit the individual needs. The details worked out may help in clarifying the lines of career progression and highlight the types of formal training required for the specified group of individuals.

4.4.4. Career Planning Practices:
The State Bank of India has long been having a well formulated placement, transfer and promotion policies like many other premier banks. However,
recently the need was felt to integrate these into a comprehensive career plan. About a decade ago in the State Bank of Patiala an attempt was made to formulate a placement policy for officers up to the middle management grade Scale II(MMGS-II) with a view to provide them with adequate opportunities in a systematic manner, for acquiring expertise in different areas of banking for the development of their career. The important feature of the above are as follows:

i. an officer would be required to have significant amount of exposure in general banking before he is assigned a position in any specialised activity;

ii. an experience at the field level would be a precondition for the posting of an officer in an administrative office; and

iii. the compartmentalisation of different activities would be avoided by encouraging mobility between different segments as a matter of deliberate policy.

Other banks which include the Bank of Baroda, Canara Bank, Punjab National Bank and Central Bank of India are also have a loosely defined career planning policy for their officers. Now it has become even more crucial to establish a career planning programme for the employee of the Computer Policy and Planning Departments/Electronic Data Processing centres also as the latter may think being left out from the mainstream banking. Consequently, this could also lead to demotivation and problems of various kinds.

To sum up we may say that career planning is not being taken very seriously by either the individuals or the banks resulting in frustrations of the kind experienced by the employee and the organisation both. The new technology has made the need even more acute. At the same time it can facilitate the process by providing accurate and necessary data for the above purpose. What is required is the involvement of the top management in the process of career planning.