CHAPTER - VIII

TRAINING

- Introduction
- Training to Bankers
- Role of North Eastern Institute of Bank Management
- Role of NEC
- Training to the Government Functionaries
- Training to Beneficiaries
- Conclusion
CHAPTER - VIII

TRAINING

8.1 INTRODUCTION:

In India, the banking industry aims at establishing a unique Indian Banking tradition. To achieve this goal, the industry needs a strong base of banking personnel who are equipped with proper training. The main purpose of training the bankers is to develop their capabilities.

The importance and need for training for bankers were felt for a long time. The Reserve Bank of India established the "Bankers Training College (BTC)" in 1954. The objective of training, however, was not to encourage innovative thinking on the part of the Indian Bank Managers, but to teach them sound banking, as it was understood in Britain.

The turning point in training came with the establishment of the "Staff Training College" in December, 1962, at Hyderabad. The National Institute of Bank Management (NIBM) was established in 1968. Thereafter many banks opened manpower planning cell in their respective personal departments. Apart from these, there is another important industry level institution, The College of Agricultural Banking in Pune.
The Banking Industry, to meet the changing demands of the future, has to keep its personnel in constant touch with the latest developments. The Lead Bank Scheme, for its success, envisages regular training to the bankers. With the evolution of Service Area Approach under the Lead Bank Scheme, the importance of training has also increased. The new Service Area Approach has brought the LBS to the grassroots and the preparation of credit plan from the Lead Bank Officer (LBO) to the Branch Managers with the help of grass root functionaries. This necessitates proper training to the persons concerned.

It is only through the commitment of the people that the banks can face the challenges of the future with confidence. This confidence can be developed by a continuous process of training not only to the bank personnel but also to the functionaries involved in implementing the Scheme. Moreover, the whole LBS is aimed at the large number of beneficiaries who avail bank loans for productive schemes. The LBS will not achieve success unless this section also gets proper training for the various schemes undertaken by them.

Training system has to devise ways and means of bringing about re-orientation of the large work force. It is, in this light, an attempt is being made in this chapter to analyse the training imparted to the various functionaries and the beneficiaries and also to see if anything is lacking
in training them as far as the state of Meghalaya is concerned.

8.2 TRAINING TO BANKERS:

Training is not and cannot be a one shot exercise. It has to be a continuous endeavour. In Meghalaya, the branch managers did not get adequate training before the Service Area Approach. However, they are getting training after the introduction of Service area Approach under LBS.

While interviewing the branch managers, it was revealed that many of them had received training for Service Area Approach. This is due to the fact that, now the branch managers are directly involved in the preparation of credit plans. This change in attitude in providing training can be seen from the following analysis of data based on the interview conducted (Table.8.1).

Before the Service Area Approach, out of the 61 branch managers interviewed, 20 received regular training, 36 received irregular training and 5 branch managers did not receive training at all. Percentage-wise analysis shows that only 32.8% received training on a regular basis. However, the position has changed after the introduction of Service Area Approach (SAA). After SAA, out of the 61 Branch Managers interviewed, as many as 58 received training on service area. This works out to 95.1% who received training on service area. Most of the branch managers including that
### TABLE 8.1

**TRAINING IMPARTED TO BRANCH MANAGERS IN MEGHALAYA**

<table>
<thead>
<tr>
<th></th>
<th>Before Service Area Approach</th>
<th>After Service Area Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.of Branch Manager</td>
<td>% of the Total</td>
</tr>
<tr>
<td>Regular Training</td>
<td>20</td>
<td>32.8</td>
</tr>
<tr>
<td>Irregular Training</td>
<td>36</td>
<td>59.0</td>
</tr>
<tr>
<td>No Training</td>
<td>5</td>
<td>8.2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>61</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

Source: Tabulated from the field data.

The Regional Rural Bank (RRB) received training on service area approach at Shillong conducted by the State Bank of India. The SBI has done a commendable job in this regard. Apart from training on service area approach, the SBI also conducted workshop for Branch Managers on Modified Reporting System. Special discussions were held on the preparation of credit plans in the workshop.

An attempt was also made to analyse the branch managers' views of these trainings. Most of them (nearly 70%)
TRAINING IMPARTED TO BRANCH MANAGERS

FIG. 8.1
BEFORE SAA

- Regular Training: 32.5%
- No Training: 8.2%
- Irregular Training: 59.0%

FIG. 8.2
AFTER SAA

- Regular Training: 73.8%
- No Training: 4.9%
- Irregular Training: 21.3%
are satisfied about the training received and not in a hurry to receive another dose. However, they say that if they have the aptitude for learning, these knowledge can also be acquired in the practical fields.

Apart from the Branch Managers, the LBO also attended training and seminars on service area approach at Pune, which was attended by LBO and Officers from NABARD. The LDO of the RBI is also satisfied of the training received. He had received training in Pune conducted by RBI and NIBM.

LBO and LDO's views on training is satisfactory. this is so because apart from the regular training, various workshops are also attended by them from time to time to keep themselves abreast of the progress made in the LBS.

As far as co-ordinators from various banks are concerned, the training programme is not satisfactory. However, the Bankers Institute for Rural Development (BIRD), an apex training institute of National Bank for Agriculture and rural Development (NABARD) at Guwahati in collaboration with SBI, Local Head Office has been organising training and seminars for senior officers of commercial banks and regional rural banks operating in the N.E. Region. One such programme aimed at making the senior bankers more pro-active in synthesising bank credit with rural development potential with a view to improving productivity of credit and quality of lending. About 36 senior officers from various banks participated in the seminar.
8.3 ROLE OF NORTH EASTERN INSTITUTE OF BANK MANAGEMENT (NEIBM):

NEIBM, established in the lines of National Institute of Bank Management (NIBM), Pune, came into existence on December 22, 1980, registered as a society. It became operational in 1983. It was established keeping in view the special requirements of the north-eastern region. The idea was conceived in the report of a working group constituted by the RBI in 1977 to study the problems of credit in the north-east. The study recommended a joint training centre for training of new recruits as well as of employees of banks in uniform banking practices and procedures. NEIBM, initially sponsored by three banks SBI, UBI and UCO Bank, is now sponsored by seven banks. Apart from operational training, the institute also maintains liaison with banking and financial institutions, State Governments and statutory development agencies and caters to the information needs of the banking industry.

As most of the banks have their own training institutes, the NEIBM has felt the need to shift its focus of attention to other areas affecting the economy in the region. Among the recent activities of the NEIBM, one of the important has been the training of trainers for Rural Banks. Another important programme included in the NEIBM agenda is the training of personnel who come from outside the region. This programmes is called the programme of induction to the
north-east and is aimed at giving an overall view of the region. This programme, conducted on a five day basis, helps the trainees to understand the region as a whole. The impact of NEIBM programmes can be gauged from the fact that the banking industry in the region is looking up and there has been a marked improvement in this regard. No doubt, the NEIBM can play an active role in boosting the banking industry in the State of Meghalaya.

8.4 ROLE OF NEC:

The North Eastern Council, NEC in short, was constituted by an Act of Parliament in 1971 and its formal inauguration in 1972 marked the beginning of a new chapter of concerted and planned endeavour on the part of the seven states. The Chief Ministers and Governors of the seven North Eastern States are members of the council. To assist the council in the discharge of its functions, there is a provision for representatives of the Ministries of Defence, Finance, Home Affairs and Planning to attend the meeting of the council. The Act provides for the President to nominate any member of the council as Chairman of the council.

As per the Act, the council was envisaged mainly as an advisory body which would discuss matters of common interest to the States and the Union Government. More specifically, the council was to discuss and make recommendations with regard to matters of common interest in
the field of economic and social planning, inter-state transport and communications, power and flood control projects. The council was also envisaged as a regional planning body which would forward proposals for projects of a regional character, indicate the priority of such projects, recommend the location of such projects, etc.

Over the past two decades, NEC has been instrumental in setting in motion a new economic endeavour aimed at removing the basic handicaps that stood in the way of normal development of the backward areas of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura. The State of Sikkim has also been taken under the umbrella of NEC recently.

The role of the NEC, therefore, is limited within the sphere of investment in infrastructure, the responsibility of promoting industrial development rests with the State Government. The NEC has undertaken projects for funding power generation, road construction and improvement, railway, airport and inland water development.

For promoting local entrepreneurs, the NEC, jointly with other organisations, has been conducting Entrepreneurial Development Programmes (EDP) from time to time. The NECs role in respect of the Lead Bank Scheme can not be overlooked as the projects which are undertaken by the NEC are of crucial importance for economic development.
8.5 TRAINING TO THE GOVERNMENT FUNCTIONARIES:

The LBS envisages proper co-ordination between the bankers on one hand and the government machineries on the other. This co-ordination is of vital importance for proper implementation and success of the Scheme. With the introduction of service area approach, the co-ordination among these functionaries gained more importance as the preparation of credit plans needs consultation and cooperation of the govt. personnels. Therefore, the LBS involves people at the grass root i.e. the block level functionaries and the higher level government functionaries of different departments.

Proper training should, therefore, be provided also to these government functionaries involved in the LBS. However, there has been no conscious effort in the state of Meghalaya to impart proper training to the govt functionaries who are actively involved with the LBS in Meghalaya. Sometimes the State Government arranges programme but not on regular basis and also does not cover all the functionaries. One such co-ordination course for the Block Development Officers and the LBOs was arranged for by the State Government at the State Institute of Rural Development, Nongsder, from 7th to 9th April, 1993. This has a telling effect on the functions and role of the government functionaries. Sometimes the government representatives seem
to be mere spectators in the meetings of the highest forum pleading ignorance about the whole thing.

Proper and adequate training to the Government functionaries who are actively involved with the LBS will ensure better involvement from the government side and pave way for the success of the LBS in Meghalaya.

8.6 TRAINING TO BENEFICIARIES:

The reason behind the failure of many a scheme is the lack of knowledge on the part of the entrepreneurs or the beneficiaries regarding the schemes undertaken. This may be attributed to wrong or improper selection of the schemes by the beneficiaries. Although it may not always be possible to assign or allot the project/scheme/activities to the beneficiaries on the basis of their knowledge, steps can be taken to acquaint them with the scheme undertaken. This is possible only if proper training is imparted also to the beneficiaries who otherwise remain neglected in the Lead Bank Scheme. Unless proper technical knowhow is given to the beneficiaries, let alone the creation of assets, the mere survival of the scheme will be difficult.

As far as training to the non enterprise illiterate class of beneficiaries is concerned, it is difficult to give them training. In those cases, camps, etc. can be conducted to give them the necessary ideas. They may also be pointed out the loopholes and drawbacks of the various schemes and
suggested the measures for overcoming them. This can better be done by the block officials than the bank officials.

In Meghalaya, we have witnessed the formation of the first Farmers' Club at Garikhana, Nongpoh in the Ri-Bhoi district on June 24, 1993. The club has been formed with the intention of providing an informal forum for the farmers in a village and to serve as a link between villagers and development agencies in the process of socio-economic uplift of the rural population. The club also aims at spreading the message of development through credit, creating awareness among the rural people about bank credit and assisting the bank in mobilisation of rural savings, etc.

However, training for the literate enterprise class in Meghalaya is very poor although Entrepreneurs Development Programmes have been conducted from time to time with the initiatives of the State Bank of India. Apart from that, National Small Industries Corporation Ltd. (NSIC), Guwahati, in collaboration with the District Industries Centre, Shillong has also organised the Entrepreneurs and Enterprise Building Programme. This type of programmes would provide unique opportunity to the educated youths to participate and set up enterprises of their own.

Entrepreneurship Development Programme (EDP):

Over the years the North Eastern Regional Centre of the National Institute of Small Industry Extension Training (NISIET) at Guwahati has been organising a series of
programmes all over the north eastern region. These programmes are of three types viz., new entrepreneurs creation programmes, awareness creation programmes and programmes for existing entrepreneurs.

From 1985 to 1990 the Institute organised a series of EDPs in different parts of the region. The North Eastern Council, Industrial Development Bank of India (IDBI) sponsored EDPs are New Entrepreneurs Creation Programmes which aim at converting a prospective entrepreneur into an entrepreneur. These programmes have three distinct features. They are pre-programme activities, programme activities and post-programme follow up, guidance and monitoring.

From April 1985 to March 1992, the Institute organised 63 EDPs sponsored by the North Eastern Council and the IDBI where 1,518 persons participated. The state-wise break-up of the EDPs organised during this period is shown in Table 8.2.

During the Seventh Plan period (1985-90) there were as many as 152 EDPs organised in the North Eastern Region by four leading institutions in which 3,609 persons participated. An analysis of the performance in terms of number of units set up reveals that the success rate was 28.42 per cent for Manipur, 26.32 per cent for Mizoram, 21.94 per cent for Assam, 20.95 per cent for Arunachal Pradesh, 15.94 per cent for Meghalaya, 15.52 per cent for Nagaland and 11.54 per cent for Tripura.
### TABLE - 8.2

**STATE-WISE NUMBER OF E.D. PROGRAMMES ORGANISED DURING 1985-92**

<table>
<thead>
<tr>
<th>State</th>
<th>No. of programmes</th>
<th>No. of participants</th>
<th>No. of units started</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assam</td>
<td>31</td>
<td>758</td>
<td>188</td>
</tr>
<tr>
<td>Arunachal Pradesh</td>
<td>4</td>
<td>99</td>
<td>16</td>
</tr>
<tr>
<td>Manipur</td>
<td>8</td>
<td>191</td>
<td>33</td>
</tr>
<tr>
<td>Mizoram</td>
<td>1</td>
<td>25</td>
<td>15</td>
</tr>
<tr>
<td>Meghalaya</td>
<td>7</td>
<td>155</td>
<td>25</td>
</tr>
<tr>
<td>Nagaland</td>
<td>6</td>
<td>145</td>
<td>33</td>
</tr>
<tr>
<td>Tripura</td>
<td>6</td>
<td>144</td>
<td>37</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>63</strong></td>
<td><strong>1518</strong></td>
<td><strong>347</strong></td>
</tr>
</tbody>
</table>


In Meghalaya the EDPs have been conducted by the Industries Department in different parts of the state to train the upcoming entrepreneurs. However, when the DIC conducted such programmes, the SBI did not participate directly but deputed their personnel (Manager, Lead Bank) as resource person.

The Industries Department complains that on a number of occasions the banks are turning down the bankable schemes submitted by the entrepreneurs on flimsy grounds or keeping them pending for months. This disheartens the EDP trainees. However, the view of the bankers is quite different. According to them, the expectation of the Industries
Department on the banks to sanction all the entrepreneurs' proposals is not feasible as on many occasions the entrepreneurs approached the banks for financial assistance with unviable and unbankable schemes and as a result, the banks could not provide any assistance to them.

It is beyond any question that priorities should be given to such entrepreneurs. As far as possible, the banks and financial institutions should come forward to help these entrepreneurs. Whenever an EDP is conducted, the banks should be invited to take part so that the viable and bankable schemes can be examined and suitable guidance can be given to the entrepreneurs during the training period. The state government is also showing interest in the EDPs which is evident from the following press report.

"The state Government has, through a notification issued here today, constituted a grievance redressal committee to go into the details of the problems faced by the entrepreneurship development programme trainees expeditious sanction and disbursement of loan proposals of the said trainees in the state. The committee will comprise the Director of Institutional Finance here as chairman and the Director of Agriculture, Shillong, the Director of Industries, the Registrar, Co-operative Societies of Meghalaya, the Adviser, Banking, North-Eastern Council, Shillong, as members. The committee may co-opt any other official as member and may also induct officials of the
In Meghalaya the EDPs are gaining momentum and youths are slowly becoming aware of the opportunities. However, what is important is the co-ordination among all the organisations and institutions involved in the development of the entrepreneurs in the state. This will help in selecting the enterprises not by chance but by choice.

8.7 CONCLUSION:

LBS demands proper training to all the parties involved in the implementation of the scheme. In the state of Meghalaya, this training is not balanced. While the Branch Managers did not receive proper training in the early stage of the LBS till the late eighties, they have started receiving them after the SAA. Almost all the branch managers received at least one training since then. While the position of training to the bankers shows a somewhat satisfactory picture, it is quite disappointing as far as the training of government personnel and entrepreneurs are concerned. Time has, therefore, come to give stress on training to these functionaries and sections in order to achieve the objective set under the LBS in Meghalaya.