Chapter – I

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Indian banking is undergoing a metamorphic transformation. In fact more changes have taken place in the banking sector during the last one decade than during the preceding two centuries due to the changes in the Indian economy such as liberalization, globalization, technology explosion, consumer supremacy, profitability crunch and competitive pressure.

In a service industry like banking, the most important need is naturally the human resource development. Banks have to create an environment in which they will be able to expand business through extensive training and better incentives to their employees. There is a pressing need to develop work practices that encourage efficiency. In these areas, a break from past practices is essential. Incentive structures need to be conceived, supported by appropriate training and motivation, which align the employee’s goals and orientation with the core competencies and strategic advantages of the institution.
Training refers to the teaching/learning activities carried on for the primary purpose of helping members of an organization to acquire and supply the knowledge, skills and attitudes needed by that organization. Training and development assumes great significance and training methods and programs for achieving goals require constant analysis and thinking.

Imparting training to the employees is important to organizational development. In India, attention has been given by the banks for a systematic development of employees. As a consequence of the awareness of training in the country, there has been a growing need to find ways and means to determine the efficiency and effectiveness of training activities from the point of view of improvement of public sector banks.

IMPORTANCE AND SCOPE OF STUDY

The process of change after nationalization and the recent changes in the economy have thrown up a host of new problems and the role of employees especially in public sector banks has come under scrutiny. Public sector banks are forced to take a view of human resource
initiatives to face the emerging competition particularly in the area of customer services from their private counterparts and other financial agencies.

Many banking organizations in the public sector see training purely in terms of providing skills to the employees for their current job and in many areas of fast technological change, this in itself can be demanding enough on time and funds alike.

While there could be various ways to enrich employees' skills, training has been considered an important tool that can lead to sustained and self-generated development. Training, therefore, is a march towards equality between people – managers and employees alike, towards more widespread opportunities, development, participation, involvement and rising expectations.

In the light of the increasing popularity and effectiveness of training activities, this study intends to take on a cross-sectional survey of training practices in the banking sector in India, as revealed by the trainers and its utility and usefulness to the trainees. Whilst being intellectual in approach, it includes views collected from the trainers and
trainees as they provide a better overview of the training scenario in the banking sector in the southern region of the country, particularly in Chennai city.

The study will provide an insight into the effectiveness of various degrees of training intensity, along with the opinion of the trainers and trainees as well as initial versus ongoing training and reveal the steps which must be taken if further training effectiveness is desired.

**STATEMENT OF THE PROBLEM**

Of late, not only the Public Sector but also other banking organizations have been taking steps to upgrade their human resource and develop skills at all levels of staff and ensuring that these skills are effectively utilized. It has been proved and considered that training as an important tool, despite ambiguity of its effectiveness on job performance, enriches the skills of employees. A lot of importance is placed on attitudes as a factor for effectiveness in training. This study attempts to find out whether training would significantly influence the attitude of bank employees and help for the development and efficiency of human resources in Public Sector Banks.
OBJECTIVES OF THE STUDY

The specific objectives of the study are:

1. To review Human Resource Development in Public Sector Banks.

2. To study the imperatives of training and examine the various training methods, their effectiveness and constraints.

3. To investigate the attitude of bank employees towards training and to ascertain the effect of such training in changing their attitude positively.

4. To offer suggestions for improvements in the training system of HRD in the banking sector.
HYPOTHESES

1. There will be no significant difference between the experimental and the control groups on their performance before and after the training program.

2. There will be no significant positive contribution of the employees’ attitude towards training to their job performance.

3. There will be no significant difference in performance between the employees with high self-esteem and low self-esteem after the intervention of the program.

4. There will be no significant difference in performance between the employees with high motivation and low motivation after the intervention of the program.

METHODOLOGY

The study is designed to have an empirical approach in the examination of HRD systems in the banking sector in India. It also
assumes a survey among of cross-section of trainers and trainees regarding the benefits of training practices in the banking industry. The options and practices sought cover the training objectives, training process, effects of training on banking, degree of satisfaction with training, source of training development, effectiveness of training, measurement of value of training, planning and requirements of training and its effectiveness thereof and training needs.

The study next analyzes an investigation which examines the impact of training programme conducted by ten selected public sector banks in Chennai with an experimental approach on the attitudes of the banks' staff. The staff include employees officers, clerical and the sub staff cadre.

Framework Of Analysis

The perspectives of training systems adopted by Public Sector Banks in India, particularly in Chennai city is examined from data collected from published and unpublished sources such as books, journals, various study groups, special enactments, Reserve Bank of India
bulletins, annual reports and reports published by the Government of India. The primary data is collected through the questionnaire method.

Method Of Investigation

The investigation begins with the research design followed by the sample, construction of tool, and the procedure adopted for executing the research.

A Pilot study was conducted prior to the main study with an objective of identifying the factors influencing attitude of bank employees towards training. The study was also carried out for validating the tool “Training Attitude Questionnaire” to be used for the main study. Factor analysis and reliability analysis was also carried out for the data collected towards establishing the reliability and validity.

An experimental design with two groups – one experimental and one control was formulated during the main study.
Sample Design

A pilot study was conducted among 50 employees and the loopholes of the questionnaire were removed and the fresh questionnaire was prepared. Data was collected from 200 employees under convenience sampling method varying the age group of 21-55 with the work experiences 2-35 years for the main study carried out in three phases were selected from those bank staff who had undergone training from training centers of various public sector banks in Chennai.

Tools Used

1. Training Attitude Questionnaire – Trainers; Trainees and Training College / Institute.

2. Performance Rating Scale.

Training Attitude Questionnaire

The researcher reviewed all relevant studies and found no suitable tool was available to measure the attitude of bank employees' attitude
towards training. Hence a tool namely, “Training Attitude Questionnaire” is developed by the researcher in consultation with experts in the appropriate field. The profile consists of 44 items to elicit information determining the attitude. Responses are in the form of ‘a’, ‘b’, ‘c’, ‘d’ and ‘e’ for each item. A 5 point scoring pattern is followed, where a score of 5, 4, 3, 2, 1 are assigned to each alphabet from ‘A’ to ‘E’ respectively. A low score indicates unfavourable attitude and a high score indicates a favourable attitude.

**Reliability and Consistency of the Training Attitude Questionnaire**

A reliability analysis is carried out for the six factors, namely trainees’ quality of work life, self esteem, inactivation, expectation, training perception and organizational development. The analysis is carried out over the sample of 50 employees for the pilot study and subsequently over 200 employees separately selected for the main study. Factor analysis was carried out and six factors are extracted which accounted for 62.1% of variance.
Performance Rating Scale

This is a tool used in the banks where research is done for assessing the performance of the employees by their immediate supervisors. This scale is also used for calculating their incentives. The profile consists of six dimensions to determine the level of performance. Responses for each item is rated on a 5 point scale. ‘1’ being the lowest score and ‘5’ being the highest. The questionnaire has to be filled out by the immediate supervisors. The items of quantity of work and quality of work are given the score of 30 and the remaining are given the score of 10.

Statistical Analysis

After data collection for the main study, multivariate analysis such as Multiple Regression is used to find out the contributions of the attitudinal factors to the overall performance of the members. Paired ‘t’ test, is used to compare the scores on pre and post assessments (within group assessments). Independent ‘t’ test is also used for determining the difference between experimental and control group (between group assessments) on the attitudinal factors and the performance variables.
LIMITATIONS OF THE STUDY

The study aims at providing only an overview of training and development programs in the public banking sector in the city of Chennai. Albeit, it attempts to be a pioneering study comprising all mechanisms of training. Study is restricted only to Chennai city due to financial and time constraints.

The study is limited to only 10 training colleges imparting training to public sector banks employees. The data collected will be from a limited number of trainers and trainees. Though the sample unit will reflect the general scenario, it may not represent exactly the entire population or the individual trainee. The study is based on options of the trainers/trainees and not only any quantitative factors.

CHAPTERIZATION

The study is divided into five chapters which are as follows:

The first chapter presents the Introduction to the topic of training in the human resource development in public sector banks in India
detailing the rationale of the study, hypotheses, methodology, limitations, review of literature and scope for further researcher.

Chapter two examines the role of Training in the development of Human Resource in the public banking / sector banks.

The third chapter examines the imperatives of training – training methods, effectiveness and constraints of training. The chapter also discusses a significant aspect of training in describing innovative workplace practices in the present Human Resource Development.

Chapter four investigates the impact of training on the attitude of trainees in public sector banks in Chennai.

Chapter five contains a brief summary of the present study, major findings and suggestions for effective measures in training to improve job performance of employees.