CHAPTER I

INTRODUCTION
Introduction

“It does not take much effort to roll a boulder downhill but if the same boulder has to be transported from the bottom of the hill to the top, it calls for tremendous exertion”.

“Organization is the Container vessel, which holds in the milk of human resources. Now churn this milk and get the cream of skill, competency and behaviour”

– A Learned Saint.

Shifting the boulder from the bottom to the top of the hill is surely an uphill task. But, to a great extent it is not impossible. People with the required skill and dexterity can handle this job with perfection. To get this adroitness, one must have familiarity in the same field. To achieve this, one has to be trained at the bottom line.

Churning the milk of human resources is nothing but training the people whereby the obscure cream of skill and competency become ostensible.

The above sayings present the critical importance of training in the process of development of human resources. It is ultimately the human resource that acts as a driving force behind any other resources in business. It is an accepted fact that every business organization depends on its pool of able and willing human resources for its effective functioning, managing and therefore, sustaining human resources is one of the critical success stories of the survival of business, and for this reason an overwhelming importance is given to Human Resource Management (HRM).

Rockefeller, a great entrepreneur, rightly emphasized the human factors in the work situation. The people are the living, thinking and feeling beings who constitute the internal social-human sub-system of an organization. The human resource in an organization is, therefore, the most crucial. To quote Rockefeller, “I will pay more for the ability to deal with people than any other ability under the sun”, highlights the significance of human asset. According to Leon C Megginson, the term human resource can be thought of as “the total knowledge, skills, creative abilities, talents and aptitudes of an organization’s work force, as well as the values, attitudes and beliefs of the individuals involved”.

Organization to be dynamic should possess multifaceted human resources. The vitality of human resources to the industry, in particular and to a nation, in general, depends upon their level of development. Human Resource Development (HRD) assumes significance in view of the fast changing organizational environment and need for the organization to adopt new techniques in order to respond to the environmental changes. Rapid changes in technology, advertisement and increase in competition
are the vital environmental challenges, that allow only strong industries in all respects to remain and continue in the market forcing other industries to withdraw from the market. HRD is mainly concerned with developing the skill, knowledge and competencies of the people, and people-oriented concepts. The purpose of HRD is to enhance the employee's ability to successfully handle greater responsibilities.

Every individual joins the organization with the expectation and aspiration of culmination. This may be in the form of better performance, and may lead to higher productivity and prosperity of both the employee and the organization he belongs to. Thus, it becomes the responsibility of the organization on the whole to see that the emerging needs and demands of the employees are fulfilled. Any deficiency in performance is, therefore, to be attended to immediately. Training is one of the important means through which an employee can develop the skills necessary to perform the job and it is the key component of HRD for sustained development of human resources. It equips the employees to shoulder higher responsibility when they move up in the organizational echelon in future.

Banks are the major service industries, employing a large workforce, which contributes substantially to the economic development of our nation. Banking in India is undergoing a metamorphosis. In the context of increasing competition, rapid advancement in technology and stringent viability norms, it has become imperative for an organization to make use of the abilities of all of its employees to tackle the future challenges. In this way, the organization has not only to create a sense of belongingness but also help the banking industry in performing better than expected in consonance with global requirement. In the changing banking scenario, many banks in India are subscribing to this corporate ethics with an aim of improving their performance and solving their problem. For this, they have introduced various HRD measures and training is one amongst the important mechanisms of HRD.

The dynamic process of training in banks bridges the gap between actual performance and expected level of performance. Training is an excellent approach for the modification of behaviour, attitude and mindset and it enables an employee to acquire the needed skill not only to perform the current job, but also the required additional skill to perform the job at higher levels.

In order to fulfil the above needs, a large number of banking organizations are setting up their own staff colleges. As per Murunjun, "With the sea changes taking place in the Indian Banking Industry, understanding the market dynamics will finally play a crucial role in keeping the banks a step ahead of competitors. Market orientation does not come overnight to an organization. Banks will have to consciously work towards bringing in such an orientation. Training of employees at all levels will be an
indispensable strategy as a part of an overall transformation process". There has been significant change in the environment and they are definitely altering the way banks are functioning, particularly in urban and metro centres. The swift spread of electronization of money, the convergence of computing and telecommunications, all technological advances are accompanied by concomitant and important economic, social and political changes which need banks to all the more consider redefining their training strategy both in its design and implementation. While markets are seldom static in nature, the process of training, 'off-site or on-site', provides a focus and a sense of added dynamism. Therefore, the concept of Market orientation in all its ramifications should be adequately taken care of in all training and HRD interventions.

It is very difficult to analyse the degree of success of the training programme. This is because, training is only one among several tools for effective performance. However, the absence of training definitely increases the chances of failure of any organization. Even though the HRD measures differ from one bank to the other, the purpose of training is similar in all the banks.

**Training Efforts in the Indian Banking Industry**

India entered the era of planned development in 1951 and with it began the proliferation of banking industry into the new geographic regions and functional areas. External forces like government policies, competition, ever increasing customer expectations, technological advancement, social values and beliefs hovering around the bank and internal influences like union-management relations, organizational structure, line and staff relationships, leadership patterns, outlook of the management, make up the sub-system of the banking organization. With rapid increase in the number of branches and the number of employees, the traditional apprenticeship training became inadequate. Mere experience could not serve as a guide in the new fields like industrial finance, insurance, rural banking, agiculture and rural development. With the emergence of organized financial development and also to meet the demand for the trained personnel, the Reserve Bank of India (RBI) set up the Banker's Training College (BTC) in Mumbai in 1954. This can be considered the first step to meet the training needs of the banking personnel in the context of the changing needs of those periods. Following this lead, most major banks set-up their own training schools and colleges to give training in banking procedures to their staff up to the managers' level.

Training, as a philosophy, acquired vitality after 1960s, with the advent of management education in India, particularly after the establishment of the Indian Institute of Management (IIM). By 1968, the banking industry had almost 2,00,000 employees of whom 20,000 were officers. The training effort had again become inadequate in terms
of the number of personnel who could be trained and particularly in view of the new demands on the industry. Fourteen major private sector banks were nationalized in 1969, followed by the nationalization of six additional banks in the year 1980.

After nationalization the rapid expansion of branches in the rural and semi-urban areas generated the need for a large number of employees at clerical and supervisory levels, as a result of speedy promotions to the existing staff. With the result, the need for training both for the existing staff members and newly recruited was earnestly felt.

Consequent to the aforesaid developments, the banks apart from setting up their own training colleges, also set up a common joint training establishment to achieve economies of large scale operations. Banking industry responded to these challenges by expanding in-house training facilities and also by establishing an apex level institute, namely, National Institute of Bank Management (NIBM) in the year 1969.

NIBM is an apex institution of the banking system to initiate and co-ordinate all matters connected with Training and Development (T and D) of bank personnel. This institute, which has the support of the Government of India (GOI) is being financed by RBI, SBI and other commercial banks. The important functions of NIBM are:

- training of the higher level personnel in management and functional areas,
- carrying out research into the problems of banking industry,
- education at the master's level to assure speedy supply of higher competent personnel to the banking industry, and
- providing consultancy services to the individual banks to translate policies into suitable programmes.

NIBM works closely in association with the Staff Training Colleges (STCs) and Regional training centres of individual banks in devising effective training programmes and mass communication strategies in order to reach the large number of bank employees. The effort is to develop a "Total Training System", using the most modern educational technology comprising formal instruction, on-the-job guided training, programmed self-learning and also well designed correspondence courses.

In addition to this, two colleges were opened in the private sector, in 1972, namely, "Southern India Bank's Staff Training College" (SIBSTC) and "Northern India Bank's Staff Training College (NIBSTC), located at Coimbatore and New Delhi, respectively. The RBI established the Co-operative Banker's Training College at Pune in the year 1969 and entrusted it with the responsibility of providing training to the employees of both commercial and co-operative banks in agricultural finance. The college was renamed as College of Agricultural Banking (CAB) in 1974. In the year 1982, the National Bank for Agricultural and Rural Development (NABARD) was established by
the Government of India (GOI) The purpose of establishing NABARD was to monitor the agriculture related areas of activities and also to provide research and training in the field of rural banking, in the areas of agricultural and rural development. NABARD is the parental body of Banker’s Institute for Rural Development (BIRD). However, the post nationalization period has witnessed the beginning of formal training to the bank employees.

Pronouncement of New industrial policy in 1991 pushed the banking industry into a liberalized and fiercely competitive market where the acid test of survival and growth was excellence in management rather than preferred market conditions or perfectionist policies of government. Banks in this emerging scenario, besides being customer and profitability-driven, started focusing on product innovation, pricing, productivity, quality, funds management, technological sophistication and cost conservation. The fact that a multitude of institutions, training programmes and a large number of officers and staff members are being trained every year is a clear indication of the popularity of training and development activities in the banks.

The net impact of these massive efforts and huge investment made was negative, as it did not have a desired impact on the individual, the collective performance and overall business results. Most of the mass training programmes in banks did not go beyond the stage of imparting subject knowledge, whereby the objectivity was lacking. According to Menon, the person acquires the skill to handle the particular job effectively by himself. So, the effectiveness of training imparted to meet the requirements is to be thought out.

The Narasimham Committee on banking sector reforms in the year 1998 urged “the management of Indian banks to review the changing training needs of individual banks keeping in view their own business environment and to address them urgently.” While making strong comments on training, the M S Verma panel on Restructuring Weak Public Sector Banks (1999) observes, “leadership at the middle level in some banks is seriously lacking”. This is largely because of the inadequate skills both in traditional areas of bank’s operations as well as the new directions in which most banks are moving. In specialized areas like credit, treasury operations, foreign exchange and of course Information Technology (IT), some of the banks are extremely deficient in skills and are almost out of the market.” Latif commenting on the entry system of training in banks says that “as there are recruitments of large number of well-qualified personnel with middle and upper middle class background in the clerical cadre and the work performance by them is much below their capacity. They are not making use of
their talent to the full extent and as such they seem to be frustrated and aggressive. Thus, the training programme for them will turn out to be a wasteful exercise as they hardly evince any interest.

Paradigm shift in economic horizon, ground realities of business operations and restructuring exercises are already underway in public sector organizations. The banks are not an exception to the present challenges. So, there is a significant implication for Training and Development (T and D) activity in banking industry to meet the challenges.

This thesis titled "Study on Training and Employee Development in Commercial Banks" intends to provide an insight into the training system of a leading Indian Public Sector Bank, viz., Corporation Bank (CB), a leading Indian Private Sector Bank, viz., Karnataka Bank Ltd (KBL), and a new generation bank, namely, Industrial Credit and Investment Corporation of India Limited (ICICI).

**Statement of the Problems**

During difficult times, budget gets squeezed and training is often one of the first to be guillotined. With cost-effectiveness as the prime factor, there is more demand for specialized courses in short sharp doses. The effectiveness of these short courses, in enabling the employees to meet the emerging challenges of the changing environment, is a debatable issue.

Banks do train their employees in the field of customer service management. The quality of customer service provided by the banks can be measured in terms of speed, accuracy, promptness, concern of employees towards the customers, change in the attitude, communication skill and nature of helpfulness and the like. However, there is a lot of delay, inaccuracy, irregularity and lack of concern while providing service to the customers.

Training must not end when the instruction ends. Training cannot be solely the responsibility of the training department. We need to examine not just training itself, but look at training in the light of both learning that has preceded it and the learning that follows. This means, in practice, the effective behaviour modification must be preceded by a reconnaissance to determine what habits already exist and which small modifications in habits have taken place. Since training is an intrusion into an existing pattern of behaviour and belief, the reasons for it must be readily apparent to the trainees. Otherwise, training will be resisted which results in training failure.

No training programme supports itself and unsupported learning inevitably dies. The need for training as managerial support is real enough but it is typically assumed to be
necessary all the way from top to bottom. Newly learned skills are not yet supported by habit and familiarity and, therefore, are too easily ‘Snuffed Out’ unless an interim support is provided.

Mere classroom coaching or explanations will not make the work attractive. What is needed is to diagnose the climate or the psychological factors, which lead to detract from productivity, motivation and efficiency. The training programmes have been so much mechanized that no attempt has been made to develop behaviour modelling training programme, which includes the standards for performance, levels of responsibility, risk-taking, motivational level, and quality of supervision to be maintained and attitudinal structure.

The task of computerization of bank branches cannot be introduced straight away in the rural areas. This is mainly because of the lack of trained staff. Whether the banks use on-the-job training or off-the-job techniques, they have to provide suitable rewards for the trainees to use their new knowledge/skill on their own jobs. Trainees lose their skills if they do not use them. They are not using them since they do not perceive a net advantage in doing so. Many a times it so happens that there is no relationship between training imparted and placement of the trainees and the role he has to perform after training.

Many banks enhance their technical competency without any training in the area of supervisory skills. For instance, ability to motivate, develop employees, communication, leadership, and human relations. This finding is not unusual. The ability to deal with people and elicit their support is the most difficult task the managers have to accomplish in competitive banking arena.

Truly speaking, the banks are not practising the full-fledged evaluation system, wherein the behaviour and evaluation of results have been neglected. The post training application of skills and attitudinal changes are difficult to measure without access to employees back on the job. This is one of the major weaknesses of training evaluation design since there is a failure to do longitudinal studies. Of course, the main difficulty in doing longitudinal research is obtaining access to participants. The second problem is while assessing the trainee’s knowledge, there may be response bias.

Training programmes should be linked to the work-situation, because any in-house training which is not related to work-situation is only a waste of the training effort and training is not taken seriously by the participants also. The employees can be provided lectures or demonstrations, but the extent to which such activities are turned into human capital depends on the extent to which the employee devotes effort to learning and applying new skills. Because of non-transferability of training on the job, the additional benefit of enhanced employability ceases to exist.
Trainees vary in many ways in their entry level skills. Some will have already developed some of the required skills, some will have to learn new ways of utilizing present skills and some will have to unlearn old ways of doing things. But, the provision is not made to permit the trainees to bypass instructions they don’t need. Bypassing is actually managed by administering a performance pre-test which provides a basis for certifying a trainee who meets the required criteria on the pre-test.

It has been observed that often trainers repeat the same material irrespective of the need and the relevance. No professional training for the trainers can make them articulate.

This study has been carried out to analyse these problems and suggest measures to improve training and evaluation techniques in banks in the sphere of competitive environment. The study aims to answer several research questions such as, analysis of training needs, infrastructure for training, efficiency of the trainers, approach of the trainees, the effectiveness of training in improving the essential skills of trainees in banking services, attitudinal changes of the employees after undergoing training, on the job benefits of training, effectiveness of external training programmes and the like.

**Objectives of the Study**

The present empirical study with the title “A Study on training and employee development in commercial banks” – has been carried out in Dakshina Kannada District, keeping in view the following objectives.

1. To study the current training programmes offered by the commercial banks for their employees at different levels.
2. To identify the magnitude of training needs of employees at different levels in the commercial banks under study.
3. To validate the existing training system/programmes and evaluation methods in the selected banks.
4. To know the attitude of trainers, trainees and management towards training programmes conducted by the selected banks.
5. To understand the attitude and work performance of sample employees of commercial banks after undergoing training.
6. To study the effectiveness of training programmes in the commercial banks.
7. To identify the problems in the current training programmes and to suggest ways and means to improve the existing training practices in the banks.

**Hypotheses Tested**

In the light of the above objectives, the following hypotheses have been developed for the study.
1 Training enhances the performance of the bank employees and also helps in their attitudinal transformation

Keeping in view the above main hypothesis, the following sub hypotheses have been developed so as to facilitate and fulfil the objectives of our study

2 Training does not help bring out substantial improvement in important skills like behavioural skill, communication skill, human relations skill and conceptual skill among employees in banks

3 The quality of training helps to improve the attitude of the bank employees

4 There is no relationship between type of training imparted and training needs of the employees at different levels

5 External training is more effective than internal training

Significance of the Study

The quality of the training offered by the commercial banks has not improved over the years. This study becomes significant due to the following reasons

- Training and learning are important inputs in the banks for the personnel to develop skills and knowledge required of the job. In order to know the nature and quality of training provided and also to improve the quality of training, the present study becomes relevant.

- Evaluation of training covers every aspect of training and determines whether the training imparted is appropriate or needs any changes or not. One can say that the absence of proper evaluation is a major drawback of the training system in the banks. This study intends to suggest proper evaluation technique which throws valuable insight into the aspect of training as a whole.

- The study will be significant since it helps the organisation to overcome the drawbacks of the present training programmes by making suitable modifications so that the benefits are derived from all the angles.

- The study encourages the participants to speak about the quality of training they receive, its relevance to the work situation, their intentions and aspirations. This helps to explore the participant's personal values, stereotypes and prejudices. This information will serve as valuable inputs to the organisation in formulating its strategies for devising the training programmes.

- The study assumes significance due to competition, liberalisation and subsequent financial sector reforms. Banks are pruning the staff by giving them the golden handshake just to cut down the operational expenses, so we can assume how critical is the role of training in motivating the existing small number of employees to meet the environmental challenges. There lies the significance of training and its assessment as an important HRD tool to any of the organisation.
Review of Literature

To make the research problem more specific and meaningful, the study of related literature becomes imperative. The survey of related literature becomes essential to understand the previous research work carried out by various researchers in the field of training and employee development in the banks and their findings mainly from the point of view of establishing the research gap in order to continue further research in the field. An insight into the available literature in the field throws light on improving the training practices of the banks selected for the study. Several research studies on training have been carried out at the international, national and at specific regional levels. The findings of these studies have been presented in the following pages very briefly.

Training in Banks – Foreign Studies

Cougie (1976)\textsuperscript{24}, in his study, states that an often neglected and little understood asset of any bank is the morale and satisfaction of its employees. He concludes that employee satisfaction is the result of many factors within the bank and effective training results in improving employee satisfaction. The training of an individual to do the job to the fullest of his/her abilities creates satisfaction for the job, the bank and for oneself.

A study conducted by Crosse and Hempel (1980)\textsuperscript{25} observes that the newly trained employees of the bank should be bestowed with responsibilities by taking into consideration the field in which he/she is trained and by not overlooking previous job experience.

Levy (1985)\textsuperscript{26} explains the significance of evaluation of training in the banks and the evaluation, according to him, should cover external as well as internal validations so as to analyse whether the training has met its purpose or not.

In a study conducted on Institution de Formacao Bancaria (IFB), one of the branches of Portuguese bank, by Torres (1990)\textsuperscript{27}, it is observed that one of the important missions of IFB is the promotion of strong general banking training, at all levels, with reference to specific training needs of different members, their management and individual circumstances. IFB’s activity also includes regular banking training courses, seminars, and Computer Based Training. IFB also concentrates on behavioural training and ‘Bank Simulation’ language teaching at various levels, aimed mainly at preparing and updating staff.

Speed (1990)\textsuperscript{28} has studied banking training in the Gulf countries of Bahrain, Kuwait, Saudi Arabia and United Arab Emirates. The study describes the range of attitudes and approaches to training encountered within Middle East Banks. The information has been presented in the form of answers received from the bank executives, managers, training personnel and course participants for the questions regarding...
planning and organization of training, training consultants and participant's comments about their training

Sheluck (1991)\textsuperscript{23}, in his study, states how Community banks are trying to cope with industry consolidation with the help of training lessons offered by de-regulated brokerage houses, that provide Community banks with fresh insights for developing techniques for survival.

A study by Stickler (1992)\textsuperscript{30} provides three-fold approach to training, namely, "uncover", "discover" and "recover" A training session should begin by uncovering the need for training 'Discover' phase is the actual presentation of the materials, once the trainee is convinced that there is a need to know the material The final phase of training effort is 'recovering' what has been learned, or practicing the skills through role play situations.

Wilson (1992)\textsuperscript{31} has trained bank supervisors in the Polish City by drawing up his own SWOT analysis on the problems facing Polish banks and has helped them to get their general banking skills in order to be competent and to survive.

Lunt (1992)\textsuperscript{32} in his study, emphasizes the significance of training programmes, which help employees to roll out a red carpet, every time a customer walks in and in building empathy with the customer.

A research conducted by Grimaud (1992)\textsuperscript{33} in some of the Canadian banks states that training module which includes both on and off job techniques would contribute best in the form of enhancing the skills and transforming the attitudes of the employees.

In a study conducted by Rowe (1992)\textsuperscript{34}, he reviews the progress towards the implementation of NVQs (National Vocational Qualifications) which represents official recognition of skills and competencies to carry out groups of tasks to defined standards Vocational training process also incorporates the existing bank training without duplication for the benefit of the employers, employees and community by considering existing bank structure, procedures and standards.

Watkin-Rees (1993)\textsuperscript{35} in his study mentions that, in many branches, operational ATM training is not a regular, planned exercise. Training occurs when the machine is installed and the knowledge is then passed on informally The staff should have a detailed knowledge of ATM operations and components such as replenishing ATM with cash, including currency, cassettes, routines and operations.

Banks are increasingly aware of the importance of making sure that their business managers understand IT and their IT experts understand the business areas as they are being asked to find solutions for.

In a study by Morral (1994)\textsuperscript{36}, there is a discussion as to how a successful sales culture places new demands on training departments and requires banks to develop innovative and comprehensive approaches such as on-time training, one-to-one
coaching, behavioural change training, interactive television and videos to deliver sales training messages

Telford (1994)\textsuperscript{37}, in his findings, highlights the importance of negotiating skills in Banking and Financial Training as it is pivotal to successful outcome, both in the short and longer terms, to maintain business relationship and to encourage the other party to participate actively in an open dialogue.

A study by Barnes (1995)\textsuperscript{38}, explains how the value of quality education to bankers help in developing job related skills, banker’s capacity and to maximize banker’s performance potential by having sound knowledge and understanding of banking practices and principles.

A study by Zolper (1995)\textsuperscript{39}, discusses the technology based employee training designed along with performance support system by Core States Bank and also Sterling Resources Incorporation to improve the sales and customer service and Cash management services. Continuous training is critical in gaining a competitive edge within an ever changing environment, powerful economic pressures deter banks from freeing their employees to engage in much needed training, i.e., an overabundance of information and a lack of sufficient time and resources to devote to training.

In a research by MacLaren (1996)\textsuperscript{40}, there is a recommendation of Multimedia training as the study shows that an average individual can complete his or her credit application five times faster using the multimedia methodology than the classroom based training programme. Thus, the Canadian Imperial Bank of Commerce (CIBC) first forayed into multimedia training, which is supposed to be “pre-historic” as it had video, audio, case studies and Computer Based Training (CBT) exercises.

A study by Look and Macaulay (1996)\textsuperscript{41}, articulates how training the staff to listen to the customer can be vital for the success of the business by keeping a clear focus on the business. The authors stress that Customer Service Training which was once regarded with suspicion and was put at the bottom of the Staff training list, has a priority now, with the range of types of training focused on satisfying customer needs such as skills training, knowledge training, shaping attitudes towards customers, process improvement and empowerment.

A study by Webb (1996)\textsuperscript{42} states that International banks such as SBC (Swiss Bank Corporation) have acknowledged the importance of training in the “Soft Skills” unlike their British counterparts. An organization which has an abundance of ‘soft skills’ (Interacting, behaviour, judgement), is the best in areas of selling, account management, negotiation, teamwork, managing teams, coaching and presenting.

Brophy (1996)\textsuperscript{43} discusses the Continuing Professional Education Courses (CPECs) offered by the Institute of Bankers in Northern Ireland and the Republic, to develop a wide range of skill required to-day in the financial services industry.
In a study by Martin (1996), it is stated how thousands of people have been benefited from the courses run by the Society for Worldwide Inter Bank Financial Telecommunication (SWIFT). The training methods used are in-house and computer based, developed to meet the new needs.

A study by Botton (1996/97) explains that the employees at every level within financial services organizations will need to develop new skills within changing career structures. Leading-edge companies are establishing training initiatives, which aim to integrate improvements in performance, personal skills, improvements in corporate communications and general flow of information around the company.

Defining the impact of Internet on training within the financial sector, Scrivener (1997) states that one of the most effective approaches is commissioning a tailored course which incorporates the best practice with awareness to ensure that a business benefit is derived. Internet training, which can be targeted as per the need, includes basic skills, business applications, internet management and publishing, if well planned and implemented will repay the investment many times over.

Scott (1997) has conducted a survey through CMG, an European IT services group, on the effect of new technologies on Training in banking and financial services industry. It observes that IT which radically impact banking by providing opportunity and threat of rapid technological change, would alter the existing relationships between the bank and a client. Trainers require important skills such as professional knowledge, relationship management, sales skills, which they need to develop and technology itself, like the Internet, and use of CD ROMs offers all sorts of training possibilities.

Pace of change in IT poses challenges for all companies. Finlay (1997) suggests a strategy that can support short and long term business goals of non-European banks, may be the consultants who provide the detailed business understanding that may not be available in-house, especially for project plans and project management solutions.

Gandy (1997) states that 'banks today are continually facing discontinuous change.' He is also of the opinion that change is no longer a matter of simply matching resources to the ebb and flow of the market, and the banks are now having to consider the wholesale replacement of old technology and old methods of operation to develop new methods of operating possibly through training.

Singh Mehta (1997) has conducted a study of the graduate teller programme of Sun Trust Bank in the USA. At the drive-in teller banking, there are 5 types of teller training, namely, professional teller training, quality service training, product knowledge training, Teller manager training and Compliance training. The study suggests that for business development, the internal training system must be integrated with a career development function, so as to promote individual job excellence and long term employer-employee relationships.
A study by Clarke (1997)\(^5^1\) discusses the new training programme from the UK banking industry and also its benefits. The programme "who cares about Direct Debit" is better equipped to give out correct advice and speedily resolve any customer queues. The programme that is streamlined by him into five short topic modules in Computer Based Training (CBT), designed for the use in a Windows environment and work book format are the Basic Scheme, Unpaid, Automated Direct Debt Instruction Service (ADDIS), Automated Direct Debt Amendments and Cancellation Service (ADDACS) and Customer Service Matters. The study suggests recognizing and rewarding staff provides extra motivation and high level of interest and participation from the staff leads to effectiveness in training.

The profile of the Banks and Building Societies National Training Organization (BBS NTO) developed by Barnes (1998)\(^5^2\), outlines its statement of intent and values such as networking, co-operation and combination of influence to speak with one voice for the industry. The key priorities of NTO are listed as competitiveness, skills for business, education, lifelong learning, occupational standards and qualifications. The NTO focuses on getting the skills that employers want rather than just churning people out with qualifications.

Barnes and Sethi (1998)\(^5^3\), have established the potential of intranet technologies to facilitate learning that is both enterprise-wide and customer-focused. Intranet technologies provide the ‘due’ which companies can use to stick together all the assorted means of delivering training into a single channel.

Campbell (1999)\(^5^4\), in his study, observes that to the Canadian bankers, university courses are valuable source of original research, for skilled employees and further education for current employees. As a result the banks provide funds for facilities and research offer advisory support for programme development. Banks and Universities find that they have much to gain and learn from each other.

Schachter (2000)\(^5^5\), by doing research in Canadian Bank, viz, Bank of Montreal states that the banks look for results from their investments in employee education. He also mentioned that Training is no longer viewed as a frill or an ill defined, hazy benefit. Accountability has increased, with banks expecting a pay off.

A study by Furash (2000)\(^5^6\) expresses how the bank suffers when talent and attitude operate at two levels. This puts pressure on the management to supervise and train more effectively by introducing sensitivity, product training and introducing technology solutions to customer interaction. Most of the complaints on bad banks come resulted in driving the customer to another bank where things were perceived as friendlier.

Tech Savvy new-generation banks like HDFC, National Australia Bank have Asian Service Provider (ASP) model whereby the automation objectives of these banks without huge capital investment can be achieved, without investing much on training. Learning happens automatically when an employee handles ASP, which provides specific tailored solutions for that industry\(^5^7\).
Bird (2001)\textsuperscript{58}, in his study, explains The Bank of England's Resourcing and Development Team management of investment in training its staff, which also demonstrates the commitment to the process from the most seniors of bank management. He states that to work effectively in the bank one needs to be continually acquiring and using new skills and the bank has rigorous Performance Review System undertaken by the line managers, which helps to develop competencies necessary for that individual through training and development.

Chalke and Groom (2001)\textsuperscript{59} express that in the high-states world of financial services, those companies that adapt new technology to their traditional business options will propose, whereas it can take a long time to train sales representatives within banks to sell their products. They state that e-commerce technology helps in creating decision trees which eliminates the need for sales staff to memorize product and distributor rules.

As technology continues to increase in the field of banking, making on-line training, the most time efficient and cost efficient will lead to more benefits in this field is stated in a study by Dunaway (2001)\textsuperscript{60}.

A study by Austin (2002)\textsuperscript{61} recommends the need for the loan training in banks as there is a lack of formalized lending training among many smaller financial institutions. He states that if a bank does not have an organised lending training programme within the institution itself, then the management must schedule its loan officers for national and regional loan schools.

A study by Courtis (2002)\textsuperscript{62} mentions that as financial supervisory agencies around the world increase, the need for skilled senior staff grows. He has studied some of the institutions working to train financial supervisors, namely, training institutes of IMF and World Bank, Joint Vienna Institute, Centro de Estudio Monetarios Latino American (CEMLA) based in Mexico, South East Asian Central Banks Centre (SEACBC) in Malaysia and Toronto International Leadership Centre.

There is a smorgasbord of options available for training staff in the Financial Services Sector, whether it is outdoors team building, leadership development or IT learning\textsuperscript{63}.

Financial Services Reform Act poses enormous training implications for the banks. Peter Hutley (2002)\textsuperscript{64} outlines two common scenarios like the overzealous teller and 24 hour call centre in which banks can slip up at the customer coal face.

Recently the banks have incurred bad debt problems with the collapse of companies including Pas Minco, Ansett and Enron\textsuperscript{65}. While their overall credit quality appears to be well under control, these high profile disasters stress the importance of well trained credit people in maintaining the banking industry's admirable credit risk standards.

Training of new credit risk management should reflect the holistic approach of not only numbers but also the quality of management.
A study by Meyer (2002) states that the key to improving return on sales training is to teach the managers of the financial services institutions the value of performance coaching. He mentions that for the maximum return on training investment, focussing coaching efforts on new skills is a must. He also emphasises on scoreboard coaching, stat sheet coaching and performance coaching to improve the sales service in financial institution.

The above mentioned studies give a detailed account of the literature available on training and employee development in commercial banks at the international level. At the national level, several studies have been carried out on training programmes designed and conducted by the banks for their employees.

Indian Studies

A study by Elias (1971) explains that the training activity in banks should not only shape the attitudes towards work, but also should take care of shaping of attitudes towards people. Characteristics of an effective trainer such as openness to change, motivation to help others, interaction skills, flexibility and good understanding about the group are also explained.

Mehta (1974) discusses about the auxiliary methods which help in shortening the duration of the class-room training and suggests the correspondence courses and programmed learning text coupled with supervised on-the-job experience, which have to be made supplementary with institutional training such as induction, on-the-job learning and simulation exercises. The author also suggests major steps in designing training plans and programmes.

Mehta et al. (1976) have stated that the infrastructure for training in the banking industry has been built up both at the industry level (NIBM, BTC and CAB) and the organizational level (STC). Given the necessary aids, the training systems in the industry appear to be well poised for meeting the challenge.

A study by Bandyopadhyay et al. (1977) bring out the objectives of banking training as providing professional bankers education for developing professional expertise, providing on-the-job experience, degree qualification for the employees at the clerical level and establishment of linkage between training and movement in the career path through appropriate evaluation procedures.

Nimkar (1977), in his study, identifies that as the training cost is an increasing investment, the bank management cannot afford to ignore the need for monitoring the performance of training centres, personnel and accomplishment of the task, when there is a sanction of higher budgets. He concludes that performance evaluation cannot be the base for the purpose as training does not directly change the performance effects but it changes the performance process.

The following measures have been suggested by Khandelwal (1978) to improve the effectiveness of training in banks.
• Business plan and policy guidelines
• Future environmental data
• Specialized activities
• Deficiencies observed
• Complaints from staff and clients
• Inspection and audit reports
• Diagnosis as a result of human observation
• Self-appraisal activities like to make effective identification of training needs for banks

A study by Agrawal (1978) mentions the significance of Banking Academy to establish the link between the present system of delegation and control in the banking system and the training and education system in the country. It also has the responsibility of transforming the present education and training system into a need-based system in order to cater to the requirements of the banking industry, by providing definite career, path to the entrants and employees.

A research conducted by Kelkar (1979) justifies that well-conceived audio-visual aids provide a satisfactory method of communicating new ideas by reducing the monotony in presentation, in improving clarity and in reducing physical effort in presentation of material. A study by Bijwaadla (1979) also mentions how audio-visual aids contribute towards better comprehension and increased retention in banking training methodology.

Bhave (1979) suggests four types of requirements for framing the strategy for training in rural banking:

- Training requirements of the fresh recruits
- Training of officers who already have some operational experience
- Training of “borrower” and technical administrative and extension functionaries who are concerned with bankable scheme
- Continuous review of course contents and framing strategies

According Ramaswamy (1980), training the bank men in the light of effective customer service is critical for the growth of high-cost industry.

A study by Ghosh (1980) articulates that the training system has three major components viz., trainee, trainer, and training programme. An evaluation of training, therefore, has to be on these three areas.

A research by John and Syamasundaran (1980) emphasises the need to segregate administrative work from academic efforts in order to set up satisfactory banking training institution. The importance of an appropriate administrative set up for training institutions is generally not recognized.
A proposition by Kane (1981) highlights the factors such as quality of teaching, learning, the methodology adopted, quality of the faculty, infrastructural and physical facilities that are best suited to the local situation are essential and to meet the standards of professional training in the banking sector.

It is not sufficient if there is just an increase in the number of rural branches. Krishnaswamy (1982) refers to the role of training to bring about changes in attitude and sense of commitment among managers/officers of rural branches. Patel (1982) also states that rural banking training should recognize the realities of rural India, goals prescribed by the govt., to meet the rising expectations of rural masses so as to stimulate the banking industry and the rural poor to take the advantage of the infrastructure. Mishra (1982), Banerjea (1982), Murdia et al. (1982) are of the opinion that training in rural banking is a product of the organizational culture to start with but is expected to transcend it while playing the role of a change agent.

Adhikari (1982) mentions that the training system has to function as a catalyst not only within the organization but also among the people for whom the organization is producing its goods, namely, services.

Observing rural banking training programmes, Paliwal (1982) mentions that a training programme is the beginning of a relationship with the participants and not the end.

A study by Gautam (1982) articulates that identification of training and development needs in banking is more than a statistical exercise, since it has qualitative aspects that are operationally significant. Return On Investment in banking is difficult to estimate because while the costs are quantifiable the host of benefits can only be assigned values which are not statistical and also the ROI depends upon extraneous factors and organizational climate.

A research conducted by Bhatnagar (1983) states different managerial roles and skills and in order to impart and sharpen the different skills, banks need to adopt a training strategy in such a way that there is a link between the skills, roles and training, outlining the training objectives and priorities, dedicated trainers, facility of different training methods and a sensitivity to match these appropriately with participants' requirements.

A study by Damle (1983) highlights the problems associated with computerization. The author states that the change in work might produce frustration and knowledge redundancy which even motivates the bank employees to oppose computerization. A sympathetic approach in tackling this issue is essential, which means the efforts must be made to convince the employees regarding change, and how inevitable it is in the present day context.

Ramakrishnan (1983), in his study, expresses the need to build an institutional framework or forum where officers and higher level employees of different nationalized
banks could be trained together so that there is uniformity and consolidation in certain areas such as priority sector advances, mechanisation and the like.

A study by Patel (1984) concludes that the gap between information and knowledge had created inadequate rural orientation. So, training with proper research support enables in filling this knowledge gap as well as in developing understanding between the banking sector and the rural sector.

A study conducted in United Commercial Bank (UCO Bank) by Jindal (1984) observes that training in foreign exchange and International banking for staff at various levels in the bank requires careful planning, analysis of training needs, designing appropriate training programmes for the target groups, development of variety of training materials because of frequent changes taking place in this dynamic subject.

Kulkarni and Naidu (1985) explain how computers facilitate learning, which was previously dependent on a teacher-learner interaction can now be managed by a computer. Computers can be used by training colleges of banks to improve the efficiency of their functions and to individualise the learning process.

A study by Padwal and Naidu (1985) recommend for an introduction of modules of computer related topics in different functional training areas and also an installation of at least small computers in training colleges for demonstration of computers at work related to banking environment.

Bhatawdekar (1986) explains different types of evaluations essentially to be carried out by the banks, such as evaluation of session, topic, training programme, training institute, training system of a bank and trainers in order to understand whether the resources spent on training bring in commensurate return.

A study by Sanghi (1986) highlights the trainer's role in employee training in banks in stimulating the process of learning for improving the organizational effectiveness as also the individual growth of each participant. The author identifies that one of the essentials of an effective trainer is his high standard of competence.

Presentation of a model of assessment of training needs at different levels such as organizational level, individual and at job level by Choudhury and Mollah (1986) is commendable. The study states that the assessment of training needs leads to the development of training priorities and training strategy in the banking sector.

A phenomenal importance to human resource management in banks, in general and training, in particular, is highlighted by Sharma (1987).

A study conducted by Chitale (1988) stresses that, in bankers' training, more emphasis should be given on preparing and discussing the live case studies and field studies. The study emphasises the training of different duration to be organized for different levels of officials and executives. Training programmes improve productivity of human resources at all levels.
Ganesan (1989)\textsuperscript{101} explains how personal effectiveness programmes of Indian Overseas Bank (IOB) are a success as they concentrate on helping the employees to develop empathy, collaboration help in developing team spirit, realizing group goals and to ensure superior quality customer service, by making them feel confident and committed.

Narasimhan (1989)\textsuperscript{102} suggests that building-up a database relating to training in banks would ensure better results. Banks have to follow such a training strategy so as to identify the training gaps and set up a task force to identify specific training needs and look into the course design, training methodology and faculty support. Training efforts should synthesize individual aptitudes with institutional needs and post-training placements.

In a research conducted by Kanvinde (1989)\textsuperscript{103} it is observed that, the training needs of the concerned bank officers to sanction most of the agricultural loans are correspondingly higher. All branch managers and managers of Agricultural Banking Divisions will have to be trained in Agricultural Credit and Branch Management and also should have sufficient rural exposure to understand the intricacies of agricultural lending. It is also highlighted that the training needs of Field Officers, Technical Officers and Rural Development Officers should be carefully assessed.

Barthakur (1990)\textsuperscript{104} expresses how the World Bank is acting as one of the major promoters and financiers of training activities around the World, concerned about making training more effective than it currently is. The study highlights training bankers specifically for problem solving by using strategies such as Multi-Attribute Utility Analysis, Means-Ends Analysis, Extraction of Relevant Information and Problem Representation Techniques.

A study by Rajagopalan and Vasantharajan (1990)\textsuperscript{105} maintain that the Banking training system should interact every year with employees at random, branch managers, regional managers, zonal managers and other executives. Banking training should reap the advantage of ‘Chip Technology’ by taking into consideration the technical changes and mechanization.

Nagarkar and Marathe (1990)\textsuperscript{106} list three types of computer based training materials such as Computer-Based Self Learning Tutorials, Computised Gist of Circulars, Problem Solving Exercises, to impart induction, segment based training programmes, capsule programmes and Role programmes, for bank employees up to middle management scale.

A study by Gelli (1990)\textsuperscript{107} suggests that training in banks should concentrate more on attitude and aptitude development rather than concentrating merely on technical and mechanical part of the training.

Mankidy (1991)\textsuperscript{108} initiates reorientation of the banking training system by introducing the activities for distance and self-learning, which can be achieved through the satellite communication system with channels earmarked for bank training.
A study by **Bhatnagar (1991)** suggests training system to be organized at four interdependent levels in banks, namely, cognitive training, attitudinal training, training in computer application and Research and Development.

**Gupta (1991)** articulates assessment of training needs in banks, strategies for meeting the assessed training needs and also translation of training plans into calendar of programmes.

A study by **Kataria (1991)** suggests for the introduction of Personnel Audit to check the deteriorating morale of the workforce and to initiate the steps for training and other HRD programmes in banks.

A research conducted by **Kumar (1992)** mentions that the banking training institutions impart job knowledge and technical skills to some extent, and they have not made visible inroads into developing the right kinds of attitude, motivation and work culture in the bank employees.

**Shankar (1992)** includes the steps for banking training as assessment of training needs, faculty development, effectiveness of training methodology, control and monitoring of training centres and innovation in design and content of courses.

A research by **Bhattacharyay (1992)** suggests that the marketing management process should not be limited to the marketing function alone but it must integrate the various functions of the bank including Training and Development to deliver satisfaction to the customers on an on-going basis. This requires induction of skills and infusion of marketing knowledge through training and development.

A study by **Achar (1993)** emphasises that the agricultural banker has to be trained by taking into consideration agrarian structure, village economy, rural sociology and the appropriate professional approach and specialized skills to deal with the rural clientele.

**Rao (1993)** highlights the roles of the Trainer in banking training. The author is of the opinion that professional trainer should be a person of high character, self starter, and confident communicator and a good listener, creative, ability to solve the differences and proper counselling.

The training in co-operative banks is inadequate because of no linkage between planning and training. **Shivaji (1993)** states that the qualitative training needs for the banks and also for different target groups are not properly identified on a long term basis.

**Prasad (1993)** has done research in training for Rural Banking in SBI and observes that the institute conducts two types of programmes, viz, a) Management Programmes, and b) Technical Programmes. Management programmes like 'Rural Banking Management' emphasize on managing people and also on rural orientation. Technical programmes emphasize farm mechanization, minor irrigation, dry land farming, pisciculture, horticulture, sericulture, dairy farming and poultry farming.
Being an author, a trainer and also a participant for the training programme, Anand (1993)\textsuperscript{119} has learnt a lot to enhance his own role as a trainer. He has realized the importance of going beyond the classroom interaction, making trainee’s participation more meaningful both during as well as after the programme.

Parida (1994)\textsuperscript{120} highlights the importance of performance appraisals in improving the quality of work life of the bank employees. For this, he states that the reporting and reviewing authority in the bank should be trained systematically on regular basis so that rating errors such as strictness, leniency, halo effect and attributional errors are avoided.

A study by Gupta (1994)\textsuperscript{121} suggests for an ethical training module, that can be imparted by the training systems in banks. However, the author opines that the trainees need both academic knowledge of ethics and understanding of management practices. It is also discussed how ethical training reorients the attitudes by influencing the personal code of conduct of organizational personnel.

Chawla (1994)\textsuperscript{122} explains the challenges to the training system of the Indian Banking Industry as competition and quality of education. The resources spent on employee training are an investment and not just another item of expense to be debited to the Profit and Loss Account. The banking environment and banking profile is destined to change making Training and Development as an instrument of change.

A research by Bhatia (1994)\textsuperscript{123} concludes that some bankers may be good in their respective fields but are palpably poor in the art of personnel administration that can create a poor show for them as also for the branches. Such bankers must be imparted training in the basics of personnel administration to better equip them to undertake the onus of running the branches efficiently as also to empathise with the staff.

Santhanakrishnan (1994-95)\textsuperscript{124} explains how Trichirapalli STC of SBI has adopted several innovative measures to achieve the dynamic and proactive role. Trainee adoption is another innovative approach which the centre is contemplating to practice and through which the faculty members will keep in continuous touch with select trainees of every programme.

In a study conducted by Padwal (1995)\textsuperscript{125}, it is mentioned that a major shift of economic policy has brought intense competition from foreign banks, private sector banks, urban co-operative banks and also non-banking financial companies and institutions. Identification of training needs by striking a proper balance between newer financial services and traditional core banking services requires prudent strategic considerations.

Patil (1995)\textsuperscript{126} stresses that in addition to the classroom training and on the job experience, the bank management should make it mandatory that the visiting faculty concept, wherein the training faculty can visit the branch and guide the operational
A research conducted by Subrahmanyam (1995) emphasises that the banks need to bolster their operational knowledge with sound financial modelling skills if they want to remain profitable. This calls for a change in skill-oriented training. Simulation models provide the requisite training for learning from one's own experience but not at the cost of the employer. Asset-liability management models provide the best simulation medium for training in banks.

Rangarajan (1995) while explaining the role of College of Agricultural Banking (CAB) in meeting the training needs of agricultural banking, has also emphasized the need for harnessing communication technology as a conscious strategy to reach a larger audience and also aims to evolve new dissemination techniques.

Kulkarni and Nikhade (1996) have done a research on the training needs of about 34 branch managers from Ankila and Buldhana Gramin Bank who have attended training. Respondents report important difficulties like lack of communication facilities in rural areas, lack of co-operation from field workers of the development departments, particularly for banking schemes and non-co-operation from large leaders, lack of technical knowledge from the field of agriculture, non-co-operation from the borrowers for repayment of loan and also improper utilization of loan amount. Thus, an innovative approach to training should resolve the above said problems.

A study by Kulkarni (1997) recommends On-the-Job training for banks through three modes, namely, Distance Education, Mobile Teacher and Non-Formal Education. The training in banks should have the view that employees in banks are the whole persons having hands, head as well as heart. The perspective should not only make them grow as job occupants but as whole persons.

In a study conducted by Saxena (1997), it is observed that the training institutions of the banking sector encounter constraint in the evaluation of training, such as lack of adequate evaluation methodology, expertise and time, non-utilization of findings and fear of exposure to weaknesses and trainees viewing it as a threat. The author suggests the reasons for evaluation and also course effectiveness indicators.

Mannur (1997) outlines the need for the development of the human process skills like Decision Making, Leadership, Motivation, Planning, Controlling and Co-ordinating amongst the bank employees and there is a requirement of paradigm shift in the training systems in the bank from purely concentrating on mechanical skills.

A study by Gadhkari (1997) discusses mechanisation and its impact over employer and employee relationship in the bank and states that retraining the employees and helping them to upgrade their existing skills to higher skills is essential.

After studying the evaluation of training in a bank, Krishnajee (1997) observes that the training in many organisations is not having the status and importance it can
rightfully claim. The line managers, in general have no faith in training and are not willing to depute the right persons for the right course.

Technology is mechanising many of the monotonous jobs in the banks by allowing employees to improve their productivity manifold. Chidambaram and Alamelu (1997)\textsuperscript{135} observes that capacity to adapt to technology can be given to employees through proper training, a vital component of HRD.

Explaining about the rural commercial banks, Shete (1997)\textsuperscript{136} has identified three market segments, namely, re-defined priority sector, the creamy layers of the old priority sector and hi-tech agricultural enterprises. This calls for the re-orientation of training strategies of the banks. Proper assessment of training needs of bankers, and problem-oriented research studies by the bankers are recommended. He further suggests that all the national level training establishments should assess and evaluate the training imparted by the STCs of the commercial banks and suggest for improvements.

A study done by Srivastava (1997)\textsuperscript{137} states that IT education training in banking technology is \textit{sine qua non} to bring about a favourable change in the climate and culture of the organisation and in the attitude of the personnel at all levels for a smooth implementation of IT plan.

Outlining the significance of Audio-Visual Aids which act as the crucial link between the trainer and the banking trainees, Swarup (1997-98)\textsuperscript{138} also mentions that the audio-visual aids help to make learning easier and more effective. Trainers can be freed from routine and repetitive type of information delivery and can concentrate on their role as facilitators.

A study by Sharma (1998)\textsuperscript{139} recommends Pre-Employment Programme, Banking Professional Programme, Training and Continuing Professional Development Programmes to build a competent professional banking cadre in our country. The author is of the opinion that with the introduction of Pre-Employment Education Programmes, the chain of banking education will be complete in all respects and will result in creation of a banking professional cadre in the country.

Openness, trust, transparency, trustworthiness, collaboration, experimentation, autonomy, authenticity, delegation and empowerment should necessarily be covered in training so that employees will have these attitudes imbibed in them as emphasised by Hariharan (1999)\textsuperscript{140}.

Kumar (1999)\textsuperscript{141} states that by the application of technology in training, the potential leverage of the trainer in banking has increased and opened up a number of new and more sophisticated options for learning. The author also states the advantages and disadvantages of Computer Based Training (CBT).

With the opening up of the financial sector, commercial banks are taking up project financing in a big way. Shinde (1999-2000)\textsuperscript{142} expresses that the staff colleges of...
commercial banks need to train identified executives in the areas of project financing. The author discusses the important aspects which need to be covered in such training programmes and also emphasizes the urgent need to train the trainers besides development of suitable case studies.

Kilam (2000) mentions HRD challenges for bankers in the times ahead. With the bankers taking the present challenges head-on, training and other organizational development exercises being taken seriously should aim for aligning attitudes and responses of the employees.

Role play can provide a mirror to the participants to know about themselves as others see them in the designated role. A role play technique on customer service in a bank branch is demonstrated by Gain (2000), which provides opportunity for action learning, participation, and involvement, and behaviour modification.

Elaborating the work force to be trained in technology-based banking, Ravimohan (2000) has classified it into core computer staff and end-users. Training of trainers needs re-emphasis. They should be encouraged to take up consultancy research work in the area of information technology especially from the point of view of application to banking solutions.

In a study by Satyanarayana (2000), it is observed that banking is undergoing change at a rapid speed and it is essential that bank employees need to acquire multiple skills. There is a shift in their conventional computational skill to push button technology.

Expressing the significant role to be played by banking training institutions, Pal and Somayaji (2000) state that they must function as pacesetters in developing system designs and models of professional activities. Introduction of tools like “Distance Learning”, “e-learning” may be useful and relevant for retirement of technology and its integration into farming system especially in the field of rural banking.

Lal (2000) states that the banks should assume a proactive role of encouraging and counselling their employees to acquire professional qualifications for strengthening their knowledge base and enhancement in professional competence.

Dumblekar and Sharma (2001) have conducted a survey which shows that more than older managers, the younger managers of bank feel that their training affects their performance. They have also learnt that unclear procedures are another reason for poor performance and clarity of procedures could be enhanced by training.

A research by Manjunath (2001) emphasizes that the sustained performance and the increased market share rely upon the training. Information Technology-based Training, Self-Training and Re-training are the modes of enhancing the skills of the employees. The author states that Self-training and Retraining techniques would, in
the long run, help banks to locate multiple talents within the bank rather than looking outside.

Importance of training for changes has been explained by Anandram and Dubhashi (2001) in the context of business environment, technology changes, job rotation, performance appraisal, self-assessment of training needs, identification of training needs by superiors and top management, management committee, outside experts.

A study by Basu and Satish (2001) state that continuous process of training interventions in the banks is a necessity to transform into Hi-Tech Banking environment, which calls for training in both hardware and software. Computer Based Training (CBT), distance learning and internet based training have changed the role of trainer from knowledge disseminator to a facilitator. Since the Indian banking industry is entering an era of hi-technology, the training strategies have to keep pace with this transformation albeit with a reemphasis on the human side of the enterprise. The authors also stress on the systems approach to training, i.e., the training can be perceived as a set of sequential steps and the identification of needs can be introduced into training at an appropriate stage.

A research by Vaishali and Kumar (2002) mentions the significance of training module that is derived from Human Resource Information System (HRIS) that provides structured training information on those employees who have completed training, type of training they have completed, duration of training, location, cost of training, return on investment to the bank and the employees.

Mankidy (2002) has expressed his viewpoint on changing business environment of the banks and has stated that in the post VRS stage, the training need assessment using organisation analysis is essential for enhancing the competencies of existing employees in the banks.

During 1970, research by Robert L Katz has found that managers need these 3 essential skills to perform the duties well. Developing Managerial Competencies is the emerging issue for Indian public sector banks. Mobeen (2002) outlines KATZ model of skills needed for junior, middle and senior managers namely, technical, human (behavioural) and conceptual skills for which training can aid in developing these skills.

In the new age of banking, training institutions need to devote some more time to research and development of new services and products. Kumar (2002) expresses that the universal banking concept has put pressure on the training system much more since they have to equip themselves to impart training in all the divergent areas like insurance, marketing and customer service. Though there are some gaps still prevailing, training institutions are gearing up with the changes to meet the training requirements considerably.

HRD, which encompasses training and development, is an integral part of corporate governance. Kohli (2002-03) explains training as a challenge before Indian banks.
Without suitably trained persons with the right attitude, the bank cannot achieve its goals. The board of the bank should facilitate alignment of HR strategy of the bank with the business strategy.

**Priyadarshini and Venkatapathy (2002-03)** have done research in the area of HRD practices in the Banking Industry. The findings state that training, one of the important sub-systems of HRD, should aim to search for limitless intrinsic human potential, which results in more competent people, who, in turn, make the organisation grow. It is also suggested that since the banking business is getting so diverse and specialized, the approach of over-reliance on the master of all trades is hardly conducive in today’s environment which calls for effective training in the banking industry especially developing human resources in a conducive manner.

A research by **Babu (2003)** explains how in the era of complexity and competitive financial world, it has become imperative for all the banks to adopt sound and efficient risk management tools, at the behest of the Reserve Bank of India. The study concludes that it is necessary that each individual bank has to manage the risks by training the people and implementing the latest developments in all the areas of banking business, in the areas of off-balance sheet exposures, NPA Management, IT implementation and provisioning. HRD wings of the bank have to play a vital role in implementing and updating the knowledge of the people working about the latest developments.

The technology being the major driver of change in banks, learning works best in an atmosphere of freedom and autonomy. **Rao (2003)** is of the opinion that learning and imbibing new knowledge and skills are becoming the primary sources of competitive advantage in the banks, the responsibility for learning is gradually shifting from trainers to managers, themselves.

A study by **Priyadarshini and Venkatapathy (2003)** mention that the results on the levels of performance and ownership types reveal that top performing private banks have the highest extent of induction training imparted. The authors also state that the nationalized banks irrespective of their performance have a similar score on the extent of induction training and the training programmes to which they are exposed. Low performing private banks have the lowest score on the induction training.

A study conducted by **Kamath et. al. (2003)** mentions that on account of introduction of certain advanced technology, the banks have to review its existing manpower by upgrading the skills through proper training and retraining. They express that the training in banking is a sine qua non for keeping the entire workforce in perfect readiness to take up the challenging environment unfolding everyday.

**Narayan (2003)** explains the way the ICICI Bank Ltd has deployed a human resource initiative whereby it is mandatory for every business leader to roll out a slew of quantitative training programmes for the respective teams, to institutionalize a
culture of training in the enterprise. The author also states how the bank has rolled out 18 modules in e-learning within a span of 90 days to enhance the knowledge orientation of professionals in wholesale banking.

A study by Siva Prasad (2004)\textsuperscript{164} specially focuses on employee training in banks which concentrates on change management, soft skills, attitude/behaviour related programmes, marketing and selling techniques, managing customer interactions, IT applications, handling irate customers and such areas.

Rao (2004)\textsuperscript{165} expresses the key words in banking operation, and developments at present are consolidation with selective expansion, social banking with improvement in financial viability, selective organisation, mechanisation, better customer service, effective managerial culture, adequate profitability, strong and healthy organizational structure and employee training at all the levels.

A research conducted by Khandelwal (2004)\textsuperscript{166} mentions that, even though the existing manpower is adequately trained and experienced in banking procedures, processes and skills, the training system in banks is still nebulous focusing on numbers rather than linking the training strategies with placement and development plans.

A study by Banerjee (2004)\textsuperscript{167}, mentions that banks have opted for revitalizing the training system by redirecting training effort towards effort to make it performance and development oriented. HRM in the context of banking is acquisition of new knowledge, skills and also acquiring capabilities to manage both internal and external environment by attaining self-confidence and motivation for public.

In order to make the training programmes more effective and efficient, Raju (2005)\textsuperscript{168} provides certain guidelines to the banks like involvement, commitment and support of the top management, one-on-one relationship between the subordinate and the superior, effective dyadic relationship, utilisation of expertise from within as well as outside the banks in various steps of the training programmes, use of latest gadgets/techniques to make the training interesting. He also mentions that man power planning, career planning and performance appraisal are to be linked through training.

Conferences and Reports

The SBI has adopted the following training philosophy for itself in the top management conference\textsuperscript{169} on training in November 1983:

- Training in SBI not only endeavours to rejuvenate the bank but consistently gets rejuvenated by it.
- Training, which is a pro-active, planned and continuous process, is an integral part of organisational development.
- Skill sessions in the institutional training, systematic on the job training and job rotation are facilitators in the process of skills development.
Training contributes to the organisation development by imparting knowledge, improving skills and re-orienting attitudes. Trainers can play a significant role in facilitating this process.

The resolutions of the seminar on "Assessment of training needs for the banking sector" organised by NIBM on April 1986 were as under:

- To appreciate the need for assessment of training needs for the banking sector
- To help executives in charge of Training/Personnel Departments in assessing training needs
- To make recommendations to the banks

Specific suggestions of the Annual Principal's Conference held at NIBM from December 11th to 13th, 1989 are as under:

- Effective communication link between the top management of the bank and the training system
- Training institutions should have autonomy in how to run the programme and what additional resources to be tapped
- The best training talents should get attached to the training system
- Training colleges to be in touch with operational managers to design the training programmes as per the needs of the banks
- Proper post-training placement
- Increase the use of visiting faculty
- Mobile training centres for rural staff
- Inter-bank training collaboration
- Constitution of training-sub-committee at the IBA level to discuss the constraints and concerns of training community at the apex level
- Appointment of task force by NIBM to develop more software for training

The Bank Economists Conference organised in Calcutta by the United Bank of India from January 4-6, 1990 has made the following suggestions in the field of training and development:

- Preparation of Indian banking personnel to cope with the extensive and intensive domain of international banking is the core issue
- While exposing the personnel to well-chalked-out learning programmes, care should be taken to see that they also stand adequately exposed to exploit opportunities and handle threats in the existing and emerging market environments
The theme selected by the Indian Institute of Bankers in 10th World Conference of Banking Institutes at Goa, on November 4th, 1993 was “Banking Education and Training Management of Dynamic Change.” The recommendations made were:

- the bank has to play a role of ‘change agent’ and has to play a major role in bringing about a ‘skills revolution’ in the banking industry,
- with the ‘technology absorption’ levels among banks rising dramatically, it is critical that all bank personnel are equipped with a basic level of technology awareness. Implementation of computer assisted learning courses is needed, and
- training to cater the needs of rural branches should have a strong rural orientation.

A Principal’s conference on the Role of Training in the Changing Banking Environment held at NIBM from March 21-23, 1994, the thrust areas forming the major focus of training programmes such as credit management, IT, profit planning, business ethics, rural financing, customer services and marketing, international banking leadership, creativity, employee empowerment, stress management, and TQM were discussed. It was resolved that trainers’ training standard norms should be evolved and followed for the selection of trainers. Trainees should be nominated strictly as per prescribed eligibility criteria. Trainers should be trained internally and should be exposed to the faculty development programme.

Second Bank Educationist’s Conference 1997, held at IMAGE, Chennai, on 18th August 1997, was a follow-up of the study of the Expert-Group appointed by RBI to review the examination system of the Indian Institute of Bankers (IIB). It emphasized that the examinations need to be upgraded so that it may result in substantial value addition to the banker’s professional skills. Thus, it is supplemented with proper training and an examination system to groom such excellent human resources to do their jobs well. IIB examination should equip the bankers to handle the changed banking environment in the domestic and international spheres.

Third Bank Educationist’s Conference held at Mumbai on 23rd September 1998, stated that IIB should concentrate on the things like preparation of comprehensive self-study material and opening up a new avenue for members to have access to MBA for specialisation in Banking and Finance-related areas through a tie-up arrangement with IGNOU so that number of institute’s members use this facility and possess the expertise in the field.

Twenty first Bank Economist’s Conference held at Bangalore on 17th December 1998 had planned for the following aspects:

- To identify the new areas of HRD intervention and using them as a powerful tool for effecting sound banking.
• Training component of HRD revamps four areas, viz, training to trainers, training audit, mobile team and post training placement

Top Management Conference on 2nd Narasimham Committee\textsuperscript{178} held at NIBM during September 14-16, 1998, recommended on several HR issues including training. Certain points which need consideration in the context of training are

• need based training \textit{versus} capacity utilization of training colleges/centres,
• training methodology and faculty development processes,
• post training utilization/placement,
• involvement of top management in training, and
• application of the concept of a learning organisation to banks

Jacob Mankidy, in his paper, presented at the Principal's Conference\textsuperscript{179} NIBM – December 28-30, 1998, mentions training related topics, their effectiveness, technology and role of research in training. He even stated that skills-knowledge-attitude gaps are going to emerge as a result of the changes and there should be a way to bridge the gap between the training system and operational aspects of the bank. The trainers have to play a vital role in this.

The Bank Economist's meet\textsuperscript{180} held at New Delhi, on January 15\textsuperscript{th}, 2001, concentrated on establishing world class HR systems in banks. Dr. Bimal Jalan in his inaugural speech, "Banking and Finance in the New Millennium" commented that employees should have skills and ability to adapt to changes. Extensive training is one of the HR functions.

Aruna Mankidy\textsuperscript{181} says that the systems should inculcate and breed certain attitudes. Introduction of a new systems to make the organisation "World Class" has to be necessarily owned by all in the banking organisation and not only by HR functionaries.

A working group on training was set up at the time of social control on banks under the chairmanship of B N Adarkar in 1967. It brought out its report, namely, Adarkar Committee Report\textsuperscript{182} Suggestions of the report are

• involvement of top management in training,
• training is necessary at all the levels and at all the stages,
• training activity must begin at the highest level. A block at the higher levels would defeat the purpose of training at lower levels, and
• developing senior bank executives in the context of increasing expectations from the banking industry. The setting up of the NIBM in 1969 as an apex training, research and consultancy organisation was a major project of Adarkar Committee Report.

Since the magnitude of target group for training is so big, the training system has to compromise on quality and adopt strategies which facilitates training at large number
in short duration James Raj Committee\textsuperscript{183} 1970, has suggested measures to overcome the same.

The RBI had set up a Goiporia Committee\textsuperscript{184} on customer service in banks under the chairmanship of Shri M N Goiporia, former chairman of SBI in September 1990, to go into the various aspects of customer service in banks and make suitable recommendations for its perceptible improvement. Goiporia Committee recommended job enrichment. To support this, the committee made the following recommendations:

- Devising training programmes suited to various areas such as attitudinal changes in staff members and customer orientation.
- Induction training to new recruits.
- Training programmes conducive to employee aptitude and also in areas of international banking, industrial finance, merchant banking etc.
- Training programme conducted by NIBM.
- Greater attention to the process of selection of training faculty.

The Talwar Committee Report\textsuperscript{185} under the chairmanship of Talwar, R K provided the following suggestions:

- Training programmes to be framed by considering customer service and customer orientation in them.
- Certain programmes like housekeeping and office administration, rural orientation and cash handling have to be imparted to the employees at all the levels.

Principal Kane Committee Report\textsuperscript{186} brought measures to resolve the problems faced by Principals in management of training in the banks. The report reads as under:

- Inadequate infrastructure facilities for training observed.
- To render maximum utilization of training, a backlog panel be ascertained in respect of employees who did not avail of training subject area-wise.
- Annual training plans to be prepared based on the organizational needs.
- Distribution of training materials well in advance and concentration on evaluation of training.
- Training should be effectively imparted by the use of audio-visual aids and by providing adequate physical facilities to create a congenial learning atmosphere.
- Principals should be appointed from among members of the senior management team keeping in mind, the role that training units are meant to play.
- Linkage of training college with external organisations.
- Link between training organisation and the planning division, personnel division and HRD department of the bank.
Rangarajan Committee of Reserve Bank of India has stressed the need for giving appropriate training to bank’s personnel in the emerging areas of computerisation of banking activities, on a priority basis. In order to meet the growing demands at all levels, particularly to improve the customer relationship and to face the competition, banks need to draw various training programmes right from the chairman to the messenger in the new technology.

The Narasimham Committee has made several recommendations on financial system with a view to reviving the Indian banking sector. The committee stresses the management of Indian banks to give new shape to the changing training needs in individual banks keeping in mind their business requirement, environment and to address these urgently. Committee also suggested for collaboration arrangements with universities and other academic institutions in India and abroad, offering specialized training to the banking industry. This is a good tie up for emerging training packages of the banks.

Research Methodology and Sample Design

Dakshina Kannada District is a cradle of banks and has given birth to 3 nationalized banks, viz, Canara Bank, Corporation Bank and Vijaya Bank in the public sector and one leading bank in the private sector, viz, Karnataka Bank Ltd. Apart from these leading banks, new generation banks also operate in the district. Among these banks, one leading bank from the public sector viz Corporation Bank, one leading bank from the private sector, viz Karnataka Bank Ltd and one new generation bank namely, Industrial Credit and Investment Corporation of India Limited (ICICI) were selected as sample for the purpose of intensive, reasonable and realistic study. D K District has five taluks in its purview, namely, Bantwal, Puttur, Belthangady, Sullia and Mangalore. Total number of branches of KBL, CB and ICICI including extension counters in the five taluks of D K District were 65. The number of employees from chief managers to clerks in the Corporation Bank were 911 and 549 in Karnataka Bank Ltd in the year 2001-2002 excluding the employees of STCs in both the cases. Exhibit I shows the details of bank employees in all the taluks of D K District from both the banks. A detailed study comprising of all 1,460 respondent bank employees was an arduous task for an individual researcher. Therefore, to keep the study within the reliable and manageable limits, convenience sampling technique was adopted and a sample of 20 per cent each of the total number of respondents (1,460) from both the banks was taken for the study.

Twenty per cent each of clerks, special assistants, officers, branch managers, senior managers and chief managers constituted 183 from Corporation Bank and 109 from Karnataka Bank Ltd. Thus, the sample size constituted of 292 employees. The whole population of 15 employees from an ICICI Bank Ltd branch, which is presently
working only in Mangalore Taluk of D K District, was also selected. Training practices of ICICI Bank Ltd are not on the similar lines of the training practices of KBL and CB. The ICICI Bank Ltd has been giving more importance to internet based learning rather than classroom based training. Therefore, to make sensible analysis, training in ICICI Bank Ltd has been shown separately in Chapter V, 'Training and Employee Development in Commercial Banks – An Empirical Study'.

Exhibit I

No. of Bank Employees and the Sample Respondents of Karnataka Bank Ltd. and Corporation Bank in D.K. District (Cadre-wise) (Excluding STCs.)

<table>
<thead>
<tr>
<th>Exhibit I</th>
<th>Exhibit I</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sulia</td>
<td>Belthangady</td>
</tr>
<tr>
<td>-----------</td>
<td>--------------</td>
</tr>
<tr>
<td>KBL</td>
<td>CB</td>
</tr>
<tr>
<td>Clerks and Special Assistants</td>
<td>8</td>
</tr>
<tr>
<td>Officers (Scale I)</td>
<td>3</td>
</tr>
<tr>
<td>Managers, Senior Managers and Chief Managers (Scale II, III and IV)</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
</tr>
</tbody>
</table>

Research Design

The study is partly exploratory and partly descriptive. Keeping in view the objectives and hypotheses, these were found to be the most appropriate methods of research investigation.

The study has not only concentrated on "Summative evaluation" i.e., to know the opinion and reaction of the trainees regarding the training but also on "Formative Evaluation" to determine the degree of mastery over a given learning task and to pinpoint the part of the task not mastered.

The study has concentrated on attitudes, conception, interpersonal relations of the employees. So, it is a qualitative phenomenon. Attitude or opinion research to find out how employees feel and think about the training, is also a qualitative research. At the same time, it is applicable to phenomena that can be expressed in terms of quantity. Thus, the study is both quantitative and qualitative in nature.

Sources of Data

Employees of these sample banks were personally contacted and their opinions regarding training programmes and their effectiveness were collected with the help of...
Exhibit II
Information Regarding the Type of Questionnaires Prepared and the Number of Respondents That Comes Under Each Category.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Questionnaire</th>
<th>Code No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employees Performance Schedule</td>
<td>Q_1</td>
</tr>
<tr>
<td>2</td>
<td>Questionnaire on Evaluation of Transfer of Training (To be responded by the Respective Bank Authority)</td>
<td>Q_2</td>
</tr>
<tr>
<td>3</td>
<td>Questionnaire on Post-training Status of Bank Employees (Self-rating)</td>
<td>Q_3</td>
</tr>
<tr>
<td>4</td>
<td>Questionnaire on Identification of Training Needs and Evaluation of Bank Employees</td>
<td>Q_4</td>
</tr>
<tr>
<td>5</td>
<td>Questionnaire on Employee’s Opinion on Banking Training</td>
<td>Q_5</td>
</tr>
<tr>
<td>6</td>
<td>Questionnaire on External Training Evaluation</td>
<td>Q_6</td>
</tr>
<tr>
<td>7</td>
<td>Questionnaire for the Faculty of STC</td>
<td>Q_7</td>
</tr>
</tbody>
</table>

Details of Samples Collected Under Each Head

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Questionnaire Code No.</th>
<th>Name of the Bank</th>
<th>Clerks</th>
<th>Officers</th>
<th>Managers</th>
<th>Samples Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Q_1</td>
<td>Corporation Bank</td>
<td>-</td>
<td>-</td>
<td>58</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>Q_1</td>
<td>Karnataka Bank Ltd</td>
<td>-</td>
<td>-</td>
<td>22</td>
<td>80</td>
</tr>
<tr>
<td>2</td>
<td>Q_2</td>
<td>Corporation Bank</td>
<td>-</td>
<td>-</td>
<td>58</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>Q_2</td>
<td>Karnataka Bank Ltd</td>
<td>-</td>
<td>-</td>
<td>22</td>
<td>80</td>
</tr>
<tr>
<td>3</td>
<td>Q_3</td>
<td>Corporation Bank</td>
<td>88</td>
<td>37</td>
<td>58</td>
<td>183</td>
</tr>
<tr>
<td></td>
<td>Q_3</td>
<td>Karnataka Bank Ltd</td>
<td>64</td>
<td>23</td>
<td>22</td>
<td>109</td>
</tr>
<tr>
<td>4</td>
<td>Q_4</td>
<td>Corporation Bank</td>
<td>88</td>
<td>37</td>
<td>58</td>
<td>183</td>
</tr>
<tr>
<td></td>
<td>Q_4</td>
<td>Karnataka Bank Ltd</td>
<td>64</td>
<td>23</td>
<td>22</td>
<td>109</td>
</tr>
<tr>
<td>5</td>
<td>Q_5</td>
<td>Corporation Bank</td>
<td>88</td>
<td>37</td>
<td>58</td>
<td>183</td>
</tr>
<tr>
<td></td>
<td>Q_5</td>
<td>Karnataka Bank Ltd</td>
<td>64</td>
<td>23</td>
<td>22</td>
<td>109</td>
</tr>
<tr>
<td>6</td>
<td>Q_6</td>
<td>Corporation Bank</td>
<td>-</td>
<td>-</td>
<td>30</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>Q_6</td>
<td>Karnataka Bank Ltd</td>
<td>-</td>
<td>15</td>
<td>15</td>
<td>30</td>
</tr>
<tr>
<td>7</td>
<td>Q_7</td>
<td>Corporation Bank</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Q_7</td>
<td>Karnataka Bank Ltd</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>8</td>
</tr>
</tbody>
</table>

The questionnaires were pre-tested by conducting the pilot study of 30 respondents and their reactions towards the questions were observed. This was useful in helping the researcher to decide whether there were any modifications to be made in the question content. The questionnaires have been given in the Annexure I to Annexure VII.
Qi* tries to assess the skills of the employees before and after undergoing certain important training programmes such as Resource Mobilisation, Credit Management, Recovery Management, Customer Service, and HR Skills. This was administered only to selected managers of both the banks, who usually rate the performance of clerks. Q2 is again responded by the sample managers of both the banks wherein they assess the employees’ performance after training. This questionnaire has tried to evaluate the transfer of training to the work place. Q3 is again the analysis of post training status of bank employees, which is self-rated by all the sample respondents from both the banks. It has also tried to validate the different training programmes and training methods. Q4 has tried to analyse whether the training needs of the employees have been properly identified or not and also has evaluated the reaction of the trainees towards the training. Q5 is in the line of questioning the employees on their genuine opinion and interest on banking training. Q6 is to verify whether external training is more satisfactory compared to internal training and also to understand the impact of external training. Q7 is a questionnaire for the faculty of STC, tries to find about their STCs. Trainers’ opinion on trainees who attend the training programmes was also collected. Telephonic interviews were also conducted to get faster access to the information.

The researcher held discussions with the faculty team of the STC for clarifying various doubts regarding training related issues. Executives and line managers at Head office as also regional heads were contacted to discuss the training related issues. The research scholar even attended some of the training sessions to observe the overall atmosphere and to interact with the trainees as well as trainers. The interaction helped to ascertain the limitations and constraints experienced by both trainees as well as trainers.

Secondary Sources of Data
Secondary sources of data were collected from books, journals, reports and other published materials, for the purpose of understanding the concepts and practices relating to training in other companies and banks. The secondary data collected from various sources were incorporated wherever necessary to substantiate the primary data. The references have been listed at the end of the chapters and the bibliography presented at the end of the thesis contains references in an alphabetical order.

Tools Used in the Study
To analyse and interpret the primary data, statistical tools such as percentages, ‘t’ test, paired ‘t’ test and Analysis of Variance (ANOVA), Analysis of Co-Variance (ANCOVA) and Chi-Square Analysis ($\chi^2$) are used.

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Period of the Study
Information relating to training in both Corporation Bank as well as Karnataka Bank Ltd that were collected in the form of data, covered the period of ten years from 1994-1995 to 2003-2004. The study was carried out from the year 2002 to 2005.

Scope of the Study
The research study on the title, "A Study on Training and Employee Development in Commercial Banks" has been confined to Dakshina Kannada District. A study of the research problem in all its dimensions covering the entire geographical area was highly impossible. Therefore, for carrying out a micro and in-depth study on training and employee development in commercial banks, a sample of three main commercial banks were selected from Dakshina Kannada District of Karnataka State, which is the locale of the study. The banks selected were Karnataka Bank Ltd in the private sector, Corporation Bank in the public sector, both originating from D K District and ICICI Bank Ltd, a new generation bank. Further, the researcher hailing from and working in the study area, found it convenient to carry out the study on the training programmes conducted by the commercial banks operating in the district.

The study has examined the various types of training programmes conducted by the sample commercial banks like Corporation Bank, Karnataka Bank Ltd and ICICI Bank Ltd in detail, their effectiveness and has ascertained the utility of such training programmes to meet the present needs and the future challenges of the banks.

The study acts as a model to set up standard tool for measurement of training programmes in banks. The scope of the study is truly emphatic to help in improving the performance of the employees to fulfil the business goals of the banks. The study also helps the bankers in framing policies for developing and devising the training programmes.

Although, this study pertains to only three commercial banks, the outcomes of the study in the form of new techniques and tools of evaluation and also various suggestions for improving training practices would help other banks also in devising their training programmes.

Limitations of the Study
The outcome of the research study is confined to the training programmes and their influence on performance of employees of CB, KBL and ICICI Bank Ltd under study in Dakshina Kannada District.

This study is a micro study and the scope is limited to the opinions of those sample employees who had undergone training in three different banks. Thus, it may not reflect the opinions of the entire personnel of the banks who had undergone training.
The observations made in the study are based on the findings of the opinion survey and thus, the study may not avoid fully the bias of the respondents. However, the responses have been cross-verified from other related opinions collected from the sample bank employees by conducting interviews.

One of the main constraints of the study was that the employees were under fear, hesitation and prejudice in the auspice of STC and the researcher found an elixir to this by holding the interview and discussion with the trainees in their workplace, at their convenient timings, at the urban and rural branches of the sample banks of D K District.

Training cost analysis is an area of difficulty in the interpretation of research on training. Training results are very difficult to analyse and an earnest effort has been made to analyse the post-training status of the bank employees by collecting their opinions as well as the opinions of their superiors.

Chapter Scheme

A study on Training and Employee Development in Commercial Banks is composed of six chapters. The entire study has been presented as follows.

Chapter I: ‘Introduction’, includes definition, meaning, importance of Training and Development (T and D) to the banks, objectives, significance, hypotheses, research methodology, statement of the problems, period of the study, scope and limitations of the study and the chapter scheme. It also contains a brief history of training efforts made in the Indian Banking Industry. A comprehensive presentation of literature on training in banks at the International, National and Regional Levels have been dealt in this chapter.

Chapter II: ‘Training in Banks - An Overview’, contains a brief history of HRD, importance of training as a subsystem of HRD and training as an integral part of an organisation in short. It states briefly, the reasons for the failure of training and measures to improve the effectiveness of training. This chapter also features the emerging functional diversification in commercial banks by identifying the critical areas like Rural Development, customer service, internal customer orientation, innovative banking, Information Technology Revolution in brief. A concise discussion on Development of Training in Banks is also featured.

Chapter III: ‘Training Practices of Corporation Bank, Karnataka Bank Ltd. and ICICI Bank Ltd.’, outlines the training practices of Corporation Bank in the Public Sector, Karnataka Bank Ltd. in the private sector and ICICI Bank Ltd. in the new generation banking sector. The chapter discusses about internal and external training programmes, analysis of training needs, training evaluation, and staff training colleges, faculty and relationship of training with other functionaries. Here, the realities of
training system of the banks are outlined, which help in bringing out useful findings and facts, as a background and supportive chapter to the empirical study.

**Chapter IV: ‘Evaluation of Training – Its Application in the Banks’**, is a conceptual study on 'Evaluation of Training', which presents the need, importance and objectives of evaluation of training. The process of evaluation contains various charts and models of evaluation developed by different researchers and experts. Different problems involved in evaluation are highlighted and the final part of this chapter holds the discussion on the various researches carried out on evaluation of training which provides valuable insight into the discipline of evaluation of training. The possibility of including some of the training evaluation tools in the training process of banks is also discussed.

**Chapter V: ‘Training and Employee Development in Commercial Banks – An Empirical Study’** examines the analysis of the data collected from the field study conducted either by administering the questionnaire or by personal interview. It analyses employee performance during pre and post training period, training needs and evaluation, employees' perception of internal and external training, trainers' attitudes towards training, and their opinion towards the trainees.

**Chapter VI: ‘Findings and Suggestions’**, presents the summary of findings, suggestions and conclusions. The suggestions are mainly based on the findings of the study, which can be very well taken up by any of the banks to improve their training practices and by the policy makers in framing training policies for the banks. This chapter also contains brief direction for future research in the field of banking training.

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