Chapter - 5: Data Analysis and Interpretation

The data collected from the IT and HR Chiefs of the banks has been collated and on a perusal and analysis of the data collected through questionnaire, during primary research, the following aspects have been observed.

Analysis of IT Chiefs Responses

1) Budgetary Outlay for IT Upgradation

a) Private Sector Banks
The budgetary outlay for IT upgradation of most of the private sector banks (40%) of the respondents had outlay of less than 25 crores during the current financial year (2002-03). In case of the preceding three financial years i.e., 1999-2000; 2000-01; 2001-02, it is observed that the outlay remained more or less steady. This could be partly attributed to the fact the most of these banks have implemented several key IT projects during the initial years of operations and are currently focusing on consolidating growth during the current year coupled with the scale of operations and business profile of these banks are other influencing factors.

b) Public Sector Banks
In case of the public sector banks, the majority of the respondents, (around 30% of them) had budgetary outlay of Rs. 75 crores and above budgetary outlay during the current and previous fiscal years (2002-03, 2001-02) and around 20% of them had outlays equitably in other three categories i.e.,
< Rs. 25 crores, < Rs. 50 crores, and < Rs. 75 crores respectively. During the fiscal years 1999-2000 and 2000-01, majority (around 60%) of them had outlays in the < Rs 25 crores category.

This aspect can be attributed to the fact that in case of majority of the public sector banks, the IT outlays have been increasing significantly of late, on account of increasing competition from their private sector counter parts and customer demand for convenience and technology driven banking services such as Any branch banking, ATM banking etc.,

![Indicate budgetary outlay (in crores) for IT upgradation during the year](image)

2) Purpose of IT Deployment

a) Private Sector Banks

An overwhelming majority of private sector banks (all of them) had suggested that the purpose of IT deployment for operational support is very high. In case of other purposes i.e., Business Process Support was accorded as high priority 80% of them. In case of Management Support 20% felt it be of high priority, while 80% of them accorded medium priority. One significant aspect is that all the respondents had undertaken IT upgradation as a tool for Strategic Support. Similarly, 60% of respondents used IT for innovation support.
b) Public Sector Banks

In case of this segment, 92% of them, has responded that IT has been deployed as high priority for operational support, while only 8% of them felt business process support as high priority and few i.e., 15% of them felt strategic support as high priority.

It essentially implies that public sector counterparts are relatively at lower end of value chain and are using IT more for operational reasons rather than strategic reasons.
3) Information Behavior and Values Defining IT Use

On a comparison of data of private and public sector banks, significant number of respondents from both the segments had accorded high priority (80% and 92% respectively) on maintaining integrity of the employees at large.

In case of formality, as value defining the use of IT, it observed that private and public sector banks have placed a medium priority of 80% and 54% respectively. This can partly be attributed to the fact that the very business of banking, due to financial implications has to rely on procedural compliance (read as formality) to guard against frauds.

As regards preference for control measure, some of the private and public sector banks have given high priority of 60% and 54%. The rest too have placed medium priority of 40% and 31% respectively. It effectively implies, that irrespective of the degree of preference, the banks have control, as one of the focus areas in IT deployment. It can be because of the fact, as business, per se, demands, adherence to the prudential procedures and guidelines, laid down in the interests of the sector by the Reserve Bank of India and also internally by the banks due to statutory and regulatory compliance requirements.

In relation to transparency, it can be observed from the analysis, that 60% of the private sector players gave importance, while 62% in case of the players from public sector. This is due to the fact that RBI, has been exhorting banks to adhere to the disclosure norms laid by it, as measure to facilitate graduation of the banks to BASLE norms.

Sharing, as a value was found be of medium and high importance (40% each) by the players. This is due to the composition of sample composition of private banks (two each from the old and new generations respectively). 31% of the public sector banks have accorded high priority. It effectively implies that majority of the public sector players are yet to undergo cultural transformation in order to create and nurture caring environment, which is fundamental prerequisite and key to Organisational learning process. This aspect can be correlated with the analysis of the responses received from HR chiefs of these banks.

Pro-activeness as value behavior, accorded high priority by private and public sector banks to the extent of 60% and 15% respectively. This is a pointer to the cultural outlook of the players, and has major bearing on the Organisational Learning process.
Information behaviour and values define use of IT

Private Banks

Information behaviour and values define use of IT

Public Sector Banks

1 — Integrity
2 — Formality
3 — Control
4 — Transparency
5 — Sharing
6 — Pro-activeness
4) IT Initiatives of the Banks

- **Net Banking:** The private sector players have proved their technological advancement with 80% of the sample banks having already introduced net banking. On the contrast, only 23% of the public sector banks have offered it.

- **Any Branch Banking:** All the sample private players are offering it, while only 36% of the public sector banks have been able to offer these services to the customers. This is due to the fact that public sector banks have a kaleidoscope of branches, while some are networked, some are partially computerized and the rest continue to be manual branches. The reason being cited by them is that it is not financially viable for them to network 100% of the branches. They have been adopting the principle of 20/80 principles i.e., 20% of the branches, which add up to 80% of their business, are being focused upon.

- **ATM Network:** All the private sector players have ATMs networks in place, while only 38% of the public sector players are offering ATM services, and that too to a limited extent. This can be partly reasoned, due to the differences in organizational strategies of respective players. The private players are strategically extending their reach to the customers in cost effective way, with technology support. The public sector is not very aggressive, due to their vast branch network across the length and breadth of the country.

- **E-CRM:** Both the segments are proposing to introduce it. All the private banks are planning to implement e-CRM while 77% of the public sector banks have plans for implementation. According to the information elicited from the IT Chiefs during the informal discussion, it is evident that the technology architecture of the private players makes it easier for them to implement it, without much effort, while the public sector banks have to spend substantially to alter their technology architecture for its implementation.

- **Business Intelligence Solutions:** There is significant gap between both the segments. This fact is evident, as according to the analysis, 40% of the private players have already implemented it while a negligible 8% of the players from public sector have implemented it.

- **Centralized Banking Software Solutions:** A majority (60%) of the private players have already implemented the software solution, while a very few (8%) of the public sector players have implemented it. The reason, which was attributed during the informal discussions was that the IT architecture of private players being the main reason for the difference.

- **Integration of bank's network with INFINET:** The majority of the banks from both the segments have integrated their corporate network with INFINET (80% & 69%) respectively. According to the informal discussion with experts from IDRBT, this would facilitate reduction of disparities between private and public sector banks. It is incidental to
note that private and large public sector banks, which have their own corporate networks, are using INFINET as backup, while the smaller public sector banks are using it as backbone for their networks.

- **Mobile Baking Solution:** The private banks as in case of other IT initiatives have the lead over public sector counterparts in implementation. (60% vis-à-vis 15%)
5) Methods/steps before implementing IT initiatives

One of the major factors, which determines the success rate of implementation of IT initiatives is creation of IT awareness in the entire organization at large. There are several methods such as creation of awareness among the employees, discussion with association/representatives etc. The larger the employee involvement, the better would be its impact, unless the users are involved in the implementation process. This aspect is being focused by information systems (IS) auditors during IS audit. Further, it also has impact on die organizational preparedness through the learning processes.

a) Private Sector Banks

These banks had adopted a mix of approaches before IT initiatives implementation and the analysis is as under:

- 24% of banks had Created awareness among employees
- 10% had discussed it in customer service meetings
- 14% have discussed with their employee associations and representatives
- 14% of banks informed their stakeholders through wider publicity
- 14% trained their new recruits
- Significantly i.e., 24% trained their employees from both IT as well as other departments in required skills and competency areas.

b) Public Sector Banks

The member of this segment had adopted slightly different approach, which is reflected by the analysis as under:

- 20% of their efforts focused on creating awareness among their employees
- 13% of them discussed the issue in their customer service meetings
- As the employee associations/unions are very strong in the public sector banks, they (22%) discussed with employee associations/representatives.
- The other approaches used by them are informing stakeholders through wider publicity (7%) and Training of new recruits (13%).
- The employee profile of these banks demands that a large number be trained and redeployed before IT initiative implementation and notably (22%) trained employees of IT and other departments.
Indicate the methods or steps initiated by the bank before implementing IT initiative

Private Banks

Indicate the methods or steps initiated by the bank before implementing IT initiative

Private Sector Banks

A - Creating awareness among employees
B - Training the employees of IT and other departments in required skills and competences
C - Training of new recruits
d - Inform the stakeholders through wider publicity
E - Discuss the issue in the customer service meeting
F - Discuss with employee associations/representatives

6) Envisaged role for IT in employee empowerment through information dissemination

The banking environment presents a scene of continuous and dynamic change. Traditionally, the banks used to rely upon the release of circulars both by RBI, based on which the head offices used
to issue circulars, giving clarification/informing changes in operational guidelines. The entire process used to take anything between 20 days to one month.

But today, the employee in front offices can't afford to keep their customers wait for so long. Another aspect is that in traditional context, the employees in branches used to refer most of the matters to reporting offices (Regional/Zonal Offices) or the head offices for guidelines/clarifications. This lead to delay in customer-response time. The picture today is totally contrasting, and quite often, branches are required to sanction retail loans immediately, or within with hours of application and further, typically the customer demand for response time even for loan applications running to a few crores in 48 hours. It is in this context, that employee empowerment has assumed increased importance.

a) Private Sector Batiks
The private sector banks have high levels of employee empowerment and this fact is vindicated by the analysis as detailed below:

- 40% of them use e-mail frequently and rarely.
- 40% of them are frequently informing their employees through IT newsletter.
- Significantly 60% of them are disseminating information regularly through Intranet (Banks portal for employees)
- Internet/Web based Learning is being used regularly by 40% of them for information dissemination
- Similarly, 40% of them have regularly using on-line bulletins for employee empowerment.
- CBTs are being used by frequently (40%) and regularly (20%) of them for specific software products/functional areas (FX, Credit) etc.,
- External organizations (training institutions etc.,) are also involved frequently (40%) and occasionally by 40% of them.
b) Public Sector Banks

These banks have also been adopting different approaches, to varying degree as per the analysis detailed below:

- 54% of them have using e-mail regularly, for information dissemination. This is partly due to systems such as Mail Messaging System (MMS), being provided by Apex level institutions such as IDRBT.
- The culture of IT info dissemination through IT newsletter by a few 21% of them and the growing trend is indicated by occasional (31%) usage.
- Significantly, 69% of them have stared using Intranet, for information dissemination.
- The usage of other approaches i.e., Internet/Web based Learning is being increasingly used (31%) of them - regularly; regular usage of on-line bulletins by 31% of them.
- The dependence on external organizations (training institutions) for information dissemination has been regular by 54% of them.
Private Banks

1 - E-Mail
2 - IT Newsletter
3 - Intranet (Bank’s portal for employees)
4 — Internet/Web-based learning (Centralized at HO)
5 — On-line bulletins
6 — CBT for specific software products/functional areas (FX, Credit) etc.
7 — Presentations/lectures/training courses by professionals with inputs from IT
8 - Chat
9 - Bulletin Board

7) Coordination of IT Department with HR Department in identification of employee learning requirements

The adoption and usage of IT by the banks is dependent mainly on the extent of competencies/skills of employees, which is correlated to that of the learning needs of the employees. Further, the implementation and priority of various IT initiatives is determined by IT department and quite logically the IT department has a major say in IT Learning Need Identification of employees.

In order to test this correlation, the question was included in IT Chiefs questionnaire and the analysis is as below:

a) Private Sector Banks

The usage of different approaches is reflective of their priorities:

- Performance management in Private sector banks is quite comprehensive and has multiple objectives. One of the keys being Identification of learning requirements and more specifically IT related. This evident by 25% of them using it as tool for the purpose.
• Feedback from employees is yet another major tool for (20%) of the banks.
• The other tools being used are HR dept. consultation with branch managers (10%); IT dept. interaction with branch managers (10%).

Private Banks
A — Annual performance evaluation of employees (performance vis-à-vis competence/learning need)
B — Feedback from the employees
C — CEO/ED meetings from the employees
D — Regional Heads meeting with Branch Managers
E — Branch Managers concerned in coordination with IT/CPPD dept
F — Branch Managers concerned in consultation with HR dept.
G — Random selection or opportunity to every employee
H — Post training deployment/assessment

b) Public Sector Banks
The tools are being used sparingly by various players Annual performance appraisal (9%); HR and IT departments consultation with branch managers (11% each); significantly feedback from employees by sizeable (19%) of them.
8) **Coordination between IT and HR Departments in management Areas**

The coordination between IT and HR department plays crucial role in implementation of IT initiatives in Banks. In order to identify the extent of interaction between the two departments, the question was addressed to IT Chiefs. *The same question was also addressed to the HR chiefs and in order to assess the perceptual differences.* The analysis of the data is:

a) **Private Sector Banks**

The three focus of interaction, in the opinion of IT chiefs are Recruitment (36%), Training (29%) and Promotion (29%). The appraisal has lesser significance (since only 7%) of them favored it. Thus the It department has been driving home the point that choosing the candidates with right skill-mix is very important. Further, it stresses on training die employees, in merging priority areas, complementary to the banks' focus areas. It is also stressing on sustenance of motivation levels of the IT employees by playing a predominant role in the promotional aspects too.
b) Public Sector Banks

The perspective and focus of IT chiefs from these banks is different on account of contextual (Organizational) factors. The focus areas of coordination for them are Recruitment (23%); Training (33%); Promotion (21%) respectively. One significant aspect to be noted that there is interaction in framing of Staff Regulations (13%). In case of performance evaluation the coordination is to a limited extent of 10%. This is due to the fact that the performance management in public sector still continues to linger on confidential reporting system which is quite subjective and doesn't provide scope for development of employee.

9) IT Learning Initiatives and Competency Building

The IT learning initiatives would fizzle out unless they encompass the entire organization. Further, the focus areas vary for different layers in the organizations. In order to probe this aspect the questionnaire focussed on areas of concern for three key components i.e., the Top, Middle and Junior Management. The analysis for both the segments is placed below:

a) Private Sector Banks

- **Top Management**: The sample banks covered equitably in the area of Information Security Management for three levels — 20% each have been covered upto 25%, 25%-50% and between 50%-100% of top management. The scenario is also similar in the areas of Business Continuity & Disaster Recovery Plan and Information Audit.
- **Middle Management**: Upto 80% of them have been trained in IT initiatives of Bank; 20% of the banks (upto 25% staff) and 40% of them (between 50% - 100% of staff) have been trained in Network Management; The scenario is quite similar in Systems Integration and Security Administration.
- **Junior Management**: Up to 80% of them have been covered in operational aspects. The training in other operational aspects i.e., LAN administration, Systems & Database Administration has been extended to majority of employees.
b) Public Sector Banks

- **Top Management**: The public sector banks in the post September 11 and December 13 scenario have also become cautious and conscious of Security concerns, both physical as well as Virtual. This increased focus is reflected in the analysis, wherein 54% of the banks had trained upto 25% of their Top management members about awareness and concerns of Information Security. Another 15% have trained between 50-100% of their top management, while the rest (31%) are envisaged to educate the entire team shortly, in future. This aspect is correlated by training of top management in 62% of the banks (upto 25% of their team members) on Business Continuity and Disaster Recovery Plan, which is part of their overall strategy towards security and contingency planning.

Audit per se, has been one of the key areas for management's in banks, as strategy towards, control and MIS. The focus assumes even more importance in IT enabled banking scenario, and this where IS Audit or also called as Information Audit becomes one of the important areas for top management in banks.

- **Middle Management**: From the data, it is observed that 31% of the banks have trained approximately upto 25% of their middle management on IT initiatives, while another 38% trained between 25% - 50% of them. In case of network management, 62% of banks have trained upto 25% of their middle management. In case of systems integration, 38% of them have trained upto the same level. In case of security administration, 54% of the banks have trained upto 25% of their middle management team. It indicates that the public sector banks too have started the process, but are yet to aggressively cover the entire team.

- **Junior Management** It is observed from the analysis, 38% of the junior management team, has been trained (upto 50% of the staff) on operational aspects. The trend continues in case of aspects on LAN & systems administration, while in case of Database administration it is slightly higher to the extent of 46%.
W) Communication of Top Management

The organizational learning process to a large extent, depends on the drive and motivation of top management through its continuous communication with the employees at large.
a) Private Sector Banks
The top management seems to prefer (40% of them) e-mail as the best option and frequency too is found to be high (40%). As regards, usage of intranet, as mode of communication, the preference seems to be relatively low (20%). But, significantly, they seem to prefer (20%) the visit to branches and die frequency is higher (60%). The frequency of communication is found to occur annually, along with financial results or as monthly (60%) to motivate towards performance management.

![Communication of top management (CEO/MD) with employees through]

b) Public Sector Banks
The top management seems to prefer (38%) e-mail for communication, while intranet is rarely preferred (23%) by them. The other methods, visit to branches, and periodic communication, the preference is relatively lower. These factors indicate that cultural transformation is yet to set in among the public sector banks.

![Communication of top management (CEO/MD) with employees through]
Analysis of HR Chiefs Responses

1) Retention Strategy to Prevent IT Professional Attrition

The advent of IT has not only brought in certain advantages, but has thrown quite a few challenges to the HR managers of the banks. One significant of cultural compatibility of the IT personnel with the Banking Environment and the result phenomenon being rising levels of attrition of IT professional in Banks. To examine during the data collection phase, the retention strategies of HR chiefs were examined, and the analysis has shown a few interesting results as below:

a) Private Sector Banks

At the primary level, they have emphasizing on three strategies i.e., Providing Avenues for knowledge/skills upgradation (26%); Giving them Challenging Assignments(21%) and a Flexible and autonomous working environment (21%). At the secondary level, the other strategies have been Providing of fast track career (16%) and offering of special compensation packages (16%).

b) Public Sector Banks

On the contrast, in public sector banks, during the rigid policies and limited flexible of the environment, The HR Chiefs, have striving with significant emphasis on the strategy of Providing avenues for knowledge/skills upgradation (61%). The other major strategy has been Offering the IT professional with challenging assignments with scope for learning (28%). The other two strategies
ye sparingly used i.e., Fast Track Careers (6%) and Flexible work environment (6%), more due to environmental and policy constraints.

however, the success of HR chiefs IT has been only to a limited extent. During the informal with the HR Chiefs of the public sector banks, they had shared with the information, where the key members middle management in IT department had put down their papers, due better offers from IT industry.

2) Strategies/plans to narrow competency gap between IT professionals and other Employees
The banking in today is different from earlier period, and is fully integrated with IT. The banks, during the initial phases had attempted to meet the challenges by recruiting IT professional. However, the cultural compatibility on hand and wide competency gap between the banking professional on the other, has virtually created two parallel organizations in one organization. The analysis of responses from HR chiefs is as below:

a) Private Sector Banks
They have been adopting a planned approach for IT skills upgradation of Bankers (56%) and simultaneously, they have been Recruiting General Bankers with advanced IT skills (33%). The old private sector banks have used Voluntary Retirement Scheme (VRS) — 11%, to address the issue.
b) Public Sector Banks

They have been adopting a planned approach for IT skills upgradation of their employees (62%) and have offered VRS (33%), to the employees, who are unable to adjust to new environment.

3) Organizational Restructuring Exercises of Banks

The IT enabled work environment, demands a new approach and changes work environment, where he response time and reach to customer holds the key to profitability of banks, and die not age old
spreads or margins. The adopt to the transformed scenario, the banks have restructuring themselves. The analysis of various approaches for restructuring are:

a) Private Sector Banks

The size, scale of operations of these banks are small as compared to their public sector counterparts. Further, the adaptability to change, is relatively higher among these banks and it is indicated by the mix of approaches:

- Creation of strategic business units (42%). (They are structured into SBUs based on the business such as retail banking, corporate banking, Treasury, Cash Management Services etc.,)
- Creation of Profit Centers (25%)
- Merger of regions/zones (8%)
- Elimination of tiers/hierarchy (8%)

(The mix of third and fourth approaches is more due to influence of the old private sector in the sample)

![Diagram: Did your bank recently implement any of the following organizational restructuring exercises]

A — Merger of regions/zones
B - Elimination of tiers in hierarchy
C - Creation of strategic business units
D — Creation of profit centers
E — Reporting hierarchy (corporate/head office)
F - Not Available
G - Not done

b) Public Sector Banks

In their case, the mix of strategies are different. They have been attempting to reduce response time to customer and making more flexible through:

- Changing of reporting hierarchy (35%)
- Elimination of Tiers in Hierarchy (25%)
4) Reasons for Restructuring

The banks have been undertaking restructuring exercises, through various approaches, discussed in earlier analysis. However, the causes or reasons for restructuring have been varying, depending on the priorities of the banks. The analysis of the primary data reveals the following:

a) Private Sector Banks

The old generation banks, in order to tune themselves at par with those of new generation banks, have undertaken restructuring exercises. The priorities reflected during analysis are:

- *Flexibility of operations* has been their top priority (100%), a unanimous and overwhelming response.
- *Customer Service*, as focal aspect was accepted by all of them (100%)
- *Increasing profitability* was agreed as yet another concern for all of them (80%) indicated as high priority.
- *Technology adaptation* (60% of them indicated as high priority); *Better Resource Allocation* were focus of restructuring for (40% of them have indicated as medium and high priority) of them.
b) Public Sector Banks

In their case, the response though in synchrony, with the private sector banks, the extent of priority has been different and is as under:

- Flexibility of Operations (54% - high priority), Better Customer Service (77% - high priority) and Increasing profitability are a high priority for 69% of them
- Technology Adaptation, is medium and high priority for 46% of them
- Resources Reallocation, is a high priority for 46% of them
The above indicators show that, while the private sector banks have been pursuing restructuring with vigor and determination, the public sector banks have been carrying out, due to competitive reasons and as reactive response.

S) Rating for Predominant Ethics and Values

The culture of any organization is guided by the prevalent Values Ethics. They guide the relationships that are intra and extra organizational. In this research study, which focuses upon the technology and learning inter-linkage, it was felt essential to address the issue. The analysis of the responses by the HR chiefs of the indicated the following:

a) Private Sector Banks

They seem to guided by the eternal values, in spite of their modern outlook as:

*!* 80% of them rated Commitment & Dedication — as high priority; 100% of them rated high priority for Honesty & Integrity.

Success at any cost, was indicated as low priority by 80% of them.

Ethical Performance, was rated as high priority by 60% of them.

However, the learning indicators, Individual Learning (40% - medium) & Collective/Shared Learning, was rated as medium (40% - high priority)

Transparency was rated as medium (40%) and high (20%) of them.

![Indicating the rating for predominant ethics and values](image)

A - Collective/shared learning  E — Individual learning
B — Commitment and dedication  F — Success at any cost
C - Ethical performance  G — Transparency
D - Honesty and integrity
b) Public Sector Banks

The analysis reflected the following trends:

- Commitment & Dedication (23% - high priority) and Honesty & Integrity (69% - high priority).
- Success at any Cost, was rated as low priority by 67% of them.
- Ethical Performance was rated as high priority by 69% of them.
- Individual Learning was rated as medium priority by 62% of them and Collective Learning was rated as high priority by only 23% of them.
- Transparency was accorded high priority by 38% of them.

Interpretation: The above data indicates that players from both the segments share the same trend in the first three parameters. As regards the learning arena, the public sector seem to emphasize on Individual learning while private sector banks balanced between the individual and collective learning.

6) Recent/Proposed HR Initiatives

The HR Department, plays a predominant role, in building the performance culture and learning environment in the organizations. The outlook and influence of HR department have been analyzed by recent/proposed initiatives in both the segments:

a) Private Sector Banks

Majority of them (60%) have implemented Performance Management System, while 40% of implemented the Electronic Performance Management. In relation to competency management areas, 60% of the have
implemented Assessment Center and Competency Mapping approaches. A significant aspect is that 80% of them have implemented Competency Building plans.

For ensuring continuity of organizational performance, 85% career planning and Succession Planning. The Organizational Climate Survey can study the performance of HR management and majority (60%) of them have conducted it. For performance improvement, only 40% of have planned for Process Reengineering and Total Quality Certification and in contrast 60% of them had implemented Cost to the Company Approach (CTC), as a measure towards performance management. To promote learning environment, 40% of them, have implemented Web Based learning.

b) Public Sector Banks

Many of them (38%) have implemented Performance Management System, while very few (17%) have implemented EPSS. In the area of competency management, only 8% have implemented Assessment Center, Competency Planning and relatively few more (15%) have implemented Competency Building approaches, while only 15% of them are planning for CTC.

To manage organizational continuity only 8% have implemented Succession planning while none of them have proposed Career Planning. A few of them have conducted Organizational Climate Survey
(8%). For work processes improvement, 38% of them have implemented Process Reengineering, while surprisingly none of them have planned for TQC. To promote Web Based Learning only 8% have implemented it and 69% have proposed for it.

7) Role Envisaged for IT in Employee Empowerment

In the competitive banking environment, customer service, to a large extent dependent on employee empowerment, which not holds the key to performance management. Traditionally, employees in banks used to be dependent on the manual circulars, to provide guidelines and directions. However, with technology adaptation, it has now become possible to empower employee with information through various IT tools, such as e-mail, Intranet etc., To understand the role of IT in employee empowerment, the responses received from HR chiefs of Private and Public Sector Banks indicated the following:

a) Private Sector Banks

- The usage of e-mail frequently (20%) and regularly (20%) respectively. In case of usage of Intranet it is found that 20% each were found to frequently and regularly.
- Web based Learning (60% - regularly), Online Bulletin (60% - regularly), Computer Based Training (CBT) - 40% (regularly). This indicates that the usage of technology aids for learning initiatives in the private sector banks has been increasing constantly and significantly.
b) Public Sector Banks

The scenario here differs, on account of difference of integration of IT. The parametric analysis indicates:

- E-mail (38% - regularly) and Intranet (38% - frequently), is being used by them.
- The usage of Intranet, the frequency of usage is found to be 38% regularly. While On-line Bulletins, are being used by 38% of them frequently.
- CBTs are being used by only 8% of them regularly.

The analysis indicates that the private sector banks have been emphasizing on communication through technology tools. However, the learning initiatives through technology enabled process are yet to begin.
Interpretation: The above analysis, clearly indicates that IT is fully integrated into working environment for employee empowerment and as regards creation of IT enabled learning environment, the process has just begun in case of private banks. On the contrast, the public sector banks, have just begun the process of using IT enabled communication tools and are far from integrating IT into their work environment and any kind of initiatives are yet to begin in regard to IT enabled learning environment.

8) Learning Needs Identification (LNI) Process-Bank Level & Employee Level
The preliminary step in creating of a learning environment is identification of learning needs both at the organization level (bank level) and individual level play a crucial role. The research study, being focused on Learning process in banks explored in depth through a variety of questions to the HR chiefs, and the analysis of their responses revealed interesting aspects as below:

a) Private Sector Banks
   - LNI - Bank Level: They appear to be focused and the core area appears to be Strategic Vision (44% of them). The other secondary guiding factor is Competency Mapping through Organisation survey Method (33% of them) and Needs Analysis based on Corporate Goals is yet to be correlated.

   • LNI - Employee Level: They have been adopting multi-pronged approach as detailed below:
Annual performance evaluation of employees (performance vis-a-vis learning needs) (17%).
> Branch Managers in consultation with HR Dept. (14%).
> Branch Managers in Consultation with IT Dept. (14%).
> Regional Heads Meeting with Branch Managers (14%).
> Feed-back from employees (17%)

The other minor factors are CEO/ED meetings with Regional Heads (7%); Opportunity to every employee (10%); Random Selection (7%)

| Process for identification of learning requirements of the employees through |
|---|---|---|---|---|---|---|---|
| A | B | C | D | E | F | G | H | I | J |
| 20% | 15% | 10% | 5% | 0% |

A - Annual performance evaluation of employees (performance vis-a-vis competence/learning need)
B — Feed-back from the employees
C — CEO/ED meetings with Zonal/Regional Heads
D — Regional Heads meeting with Branch Managers
E — Branch Managers concerned in coordination with IT/CPPD Dept.
F — Branch Managers concerned in consultation with HR dept.
G — Random selection
H — Opportunity to every employee
I - Every employee should be given training once in a year
J - Zonal Managers/Controllers concerned in consultation with HR dept.

b) **Public Sector Banks**

They appear to be guided by few factors at corporate level and at individual level, the factors are varying, based on circumstances:

- **LNI - Bank Level:** The two impacting factors are Strategic Vision (21%) and Needs Analysis in tune with Corporate Goals (7%)
**LNI- Employee Level:** The influencing factors, based on the priority are:

- Annual Performance evaluation of employees (performance vis-à-vis competence / learning need) - 20%
- Feedback from employees (18%)
- Regional Heads Meeting with Branch Managers (11%)
- Branch Managers in consultation with HR Dept. (11%)
- Branch Managers in consultation with IT Dept. (13%)
- Opportunity to every employee (7%)
- Random Selection (13%)
- CEO/ED meetings with Zonal/Regional Heads (3%)
- Every employee should be given training once a year (2%)
- Zonal Manages in consultation with HR Dept (2%).
Interpretation: On a perusal of the above analysis, it is evident that the private sector banks are focused, both at the corporate and Employee levels to make the learning system correlative to the organizational performance. However in case of public sector, the focus appears to dissipated among various steps due to blind adoption of procedures.

9) Performance Assessment in Post Learning Scenario

Learning per se, would have no relevance, unless it is transported into work environment (Transfer of Learning), in the post learning scenario. The study explored the this aspect and found the following during the analysis:

The Private Sector Banks, seem to equitably (33% each) depend three factors i.e., Competency Assessment; Performance measurement/evaluation and skills rating. In case of Public Sector Banks, They are dependent on two factors, namely Skills Rating (44%); Performance Measurement/evaluation (22%).
10) Learning Outlook of Employees
The extent of learning is to a large extent dependent on the attitude and outlook of the employees. In the absence of employee involvement, the corporate strategies and plans are bound to become redundant. The Analysis of responses from both the segments elucidate the following:

a) Private Sector Banks
Some of the employees operate from *Assisted Learning* (40%), while the majority of the employees operate from *Self Learning* (60%) Mode. Rarely, do the employees are required to be prodded into *Compulsory Learning*.
b) Public Sector Banks

There are close to 38% of employees, who rely on Assisted Learning, and a minority of about 15%, who operate from Self Learning mode. On the contrast, there are sizeable (38%) of the employees, who operate from compulsory and reactive learning Modes.

II) Interaction of IT with Training System

The traditional methods of training practiced in banks, are cost and time prohibitive, which can no longer support the ever growing and dynamically changing training needs of banks in the country. It is here that IT, which has become omni-present in work place, has a key role in training context too. The analysis of responses from both the segments are :

a) Private Sector Banks

In their case, close to 40%, there is fair amount of implementation of Web Based Training (through centralized solution at corporate level) and Delivery of training through Intranet (60%) on Specified
Areas. As far as Learning by accessing web sites (some of the employees - 20%) and Tie-up with other Organizations, 40% of the employees have been using them.

Interaction of IT with Training system

b) Public Sector Banks

In cases of about 31% of them are envisaging use of Web Based Learning and Delivery of training modules on specified subjects. For the close to 15% of cases, Learning through Web sites, is being envisaged. Here, it is pertinent to note that in cases of majority of diem, Internet Access is simply non-existent, on grounds of cost-prohibitiveness on one hand and Security Concerns on the other. Similarly, there are 15% of employees, who have access to utilize Tie-up facilities with other organisations.

Interaction of IT with Training system

1 - Intranet for delivering training modules on specified areas
2 — Learning through access web sites
3 - Tie-up with other organization (Management Schools/IT Institutions etc.) for online learning by employees
4 - Web-based learning (through centralized solution at corporate level

A - Envisaged
B — Used by some employees
C - Used by most of the employees
D - Fully integrated with work processes
E - Not available
12) Focus of Training System

The focus areas for training system have quite logically undergone change, to meet the demands of changed scenario. The priorities of both the segments, as per the analysis are:

a) Private Sector Banks

Retail Banking is a priority for majority of them (80%). Corporate Banking is treated as high priority by about 60% of them, while 40% of them perceive it as competitive necessity. Information Technology, naturally, is viewed as competitive necessity by majority (60%) of them. As regards Treasury area, which is a source of profitability, which is technology and intellect driven is viewed as high priority by majority of them (80%). It is incidental to note that the private sector banks, inspite of their relatively smaller size, are major players and have recorded high profits, over the last 3-4 years and hence, the emphasis. Similarly, Forex is perceived as high priority area for training by about 60% of them.

![Focus areas of training system](image)

A — Forex 
B — Cash Management Services
C — Corporate Banking
D - Credit
E — Information Technology
F — Marketing
G — Retail Banking
H — Treasury

The growing customer awareness and increased competition in the market, has lead to renewed emphasis, on Marketing as competitive necessity by 80% of them. The increased scope for profitability and non-fund based business, has made Cash Management Services, into a competitive necessity for about 40% of them.
b) Public Sector Banks
In their case too, due to reduced credit off-take and Dis-intermediation in case of blue chip firms, coupled with high Non-Performance Assets, has made them to focus upon Retail Banking and Credit, which have quite logically become a high priority for 46% of their training system. Corporate Banking, is high priority for about 15% of them. Information Technology, obviously has become competitive necessity for 62% of them. Treasury, is Medium priority for about 15% of them, while Forex, is high priority for about 23% of them, especially, the larger banks, who have greater exposure to FX business. They are yet to wake up to the need to prioritize Marketing and Cash Management Services (which are closely inter-related) and hence these areas low and high priorities for about 8% and 15% respectively.

13) Sources of Training
In the era of specialization and Customization, it is virtually impossible for Banks to be totally self-reliant for their training needs. The response from the segments reflects this aspect.

The Private Sector Banks, have capability to the extent of 60% to meet the training needs internally and upto 40% of their training needs are being met from external sources by 80% of them.
In case of Public Sector Banks, between 20-40% of their training needs are met internally by about 31% of them. In some cases (large banks) between 60-100% of their training needs are being met internally by about 46% of them. Between 20-40% of them, get their (23%) training needs met, through outsourcing. Similarly, 20-40% of their training needs are met by having tie-ups with external organizations (31%). This is more so in areas such IT, where these banks have low competency bases.

Analysis of Select PSBs: Top Rated (Select) Public Sector Banks

A. Response of IT Chiefs
In addition to the analysis we have seen earlier separately for public vis-a-viz private sector Banks, for the purpose of better understanding, from among the sample Public Sector Banks included in the study, after analysis of responses received both from the IT Chiefs and HR Chiefs the following Public Sector Banks have been shortlisted for having a better understanding of the trends/features during the analysis:

1. Andhra Bank
2. Bank of Maharashtra
3. Canara Bank
4. Corporation Bank
5. Oriental Bank of Commerce
6. Punjab National Bank
the following parameters have been considered for the purpose of analysis:

1. **Indicate budgetary outlay (in crores) for IT upgradation during the year**

   ![Indicate budgetary outlay (in crores) for IT upgradation during the year](image)

   From among the six banks it is observed that two banks have budgetary outlay of less than Rs.25 crores during the year 1999-2000 while just one bank had a budgetary outlay of less than Rs.25 crores during the year 2000-2001. As we analyze the trend, it is observed the budgetary outlay of the banks is increasing over the year and consolidating between Rs. 50 - 75 crores

2. **Purpose of Deployment of IT**

   ![Purpose of deployment of IT](image)

   1 — Business process support
   2 — Innovation support
   3 — Management support
   4 — Operational support
   5 — Strategic support

   On a perusal of the purpose of IT deployment by the banks, it can be seen from the above chart the banks have been according high priority to both management support as well as operational support.
Similarly, business process support and static support are also been emphasized by the public sector banks when they are deciding upon IT deployment.

1. Indicate the recent/proposed IT initiative of your Bank

From the above chart on indicating the various initiatives that have been implemented by the public sector banks it is observed that an overwhelming number of them have already established ATM Network and are also in the process of setting up of ATMs. limited number of them have implemented any branch banking. This can be attributed to the fact most of the public sector banks, thought they have been computerized, the reality is that majority of the computerized belong to the categories of partial/fully computerized branches without being networked.

B. Response of HR Chiefs

The banks indicated above have also be considered for the analysis of the responses of HR Chiefs.
1. Indicating the Rating for Predominant Ethics and Values

When we analyze the predominant values and ethics as perceived by the HR Chiefs it is observed that they have been placing high priority on "Commitment and Dedication", "Honesty and Integrity". Significantly, "Collective/shared learning" has been accorded low priority by the HR Chiefs. This implies that learning per se, remains to be a personal prerogative of the employees. Further the intense competitive for career progression is with holding the employees from participating in shared learning.

1. Recent/Proposed HR initiatives

1. Assessment Centre
2. Career Planning
3. Competency Building
4. Competency Mapping
5. Cost to the Company Approach (CTC)
6. Electronic Performance Support System (EPSS)
7. Organization Climate Survey
8. Performance Management System
9. Process Reengineering
10. Succession Planning
11. Total Quality Certification
12. Web Based Learning
On a perusal of the HR initiatives of the select banks, it can be seen from the chart that very few banks have implemented the learning environment facilitating initiatives such as assessment centre, competency building, competency mapping and electronic performance support system. Another matter of concern as project from the chart is that data is not available to the banks on key aspects such as cost to company approach (CTC), which helps in reducing the manpower cost, and helps in improving the profitability of the organization and performance of the individual.

Similarly, these banks woefully lack data about organization climate survey, which effectively indicate that the Public Sector Banks have not made any attempt in scientific study of state of the organization. And most often the various HR initiatives are being taken up because of the personal interest of either the CEO or the HR Chief.

Further to the banks seem to be ignoring the importance of total quality certification, which helps in improving the other ends to systems and procedures, which is mandatory for guarding against frauds and also in improving the functional efficiency.

1. **Role envisaged for IT in Employee Empowerment through Information Dissemination/E-learning**

![Diagram of IT role in employee empowerment]

1. CBT for specific software products/functional areas (FX, Credit) etc.,
2. Email
3. Intranet
4. Intranet/Web based learning (Centralized at HO)
5. On-line bulletins
6. Presentation/lecture/training courses by professionals with inputs from IT (IDRBT)

The analysis of the above chart helps in understanding the role envisaged for IT in employee empowerment and information dissemination the following is being observed:
The banks for routine communication are using e-Mail extensively. The usage of intranet is also found to be frequent among the select banks. However the banks seem to be lagging behind in usage of On-line bulletins; presentation/lecture/training courses by professionals with inputs from IT (IDRBT training courses). The usage of CBTs for CBT for specific software products/functional areas (FX, Credit) etc.,