Chapter I

INTRODUCTION AND METHODOLOGY
Every organization needs to be dynamic and growth oriented not only to withstand but to succeed in the fast changing and competitive environment. Primarily of utmost importance, an organization is poised for the growth and dynamism only through efficient efforts of its human resources. HR is the most crucial and strategic determinant of growth of an economy. Therefore, any organization which aspires to grow, should first develop the capabilities of its employees that is to strengthen its human resources. Modern management achieves these objectives through HRD. The HRD system heavily depends upon the employee training and management development. The system emphasizes on such process mechanisms as performance appraisal, career planning, employee training, organizational development, rewards, employee welfare and Human Resource Information. All these process mechanisms are linked with corporate plans particularly human resource planning under HRD in general.

HRD in global perspective has gained increasing attention in the last decade from human resource specialists, training and development professionals, chief executives and line managers. HRD in USA is identified with training and development and it is only in the recent past that other components of human resource development are being included under the term HRD with particular reference to India. Some organizations have taken the lead in evolving and implementing an integrated human resource development systems (HRDS). The
HRDS consists of sub-systems like performance appraisal, career planning and development, feedback and counseling, training, OD and system development and data storage for development decisions. Larsen and Toubro is the first organization to formally introduce the HRD system in India in 1975. The main objective was to facilitate the growth and development of managers in the organization in a planned way (Dey, 1983). The Training and HRD movement is gaining ground in our country taking the clue from Japan which has become an industrial giant primarily because of the national stress on HRD. Many public and private sector organizations in India have introduced HRD system, such as Larsen and Toubro, State Bank of India, Bharat Earth Movers Ltd, BHEL, Crompton Greavers Ltd, Glaxo, Voltas Ltd, BHPV Ltd etc. Today these organizations have HRD managers and some of them have even HRD departments (Rao, 1987).

HRD strives to improve quality consciousness among industrial workforce through all its sub systems. Among the sub-systems Training and Performance Appraisal are given highest priority as they are directly involved in skill building and development (Rao, 1992). Training aims at developing, tapping newer, hidden qualities in people to make accomplish new emerging challenges and functions leading to organizational, individual and social goals. The beginning of training could be traced to the Stone Age when knowledge was transferred through signs and actions to others. It became significant in the world war second when need was felt to train new foreman on an emergency basis (Straises and Sayles, 1980; Saiyadain, 1988). With a humble beginning, training spread to an extent where it covers now all levels of Organisations. Training can be broadly viewed as a reciprocal process of teaching and learning. It imparts knowledge, develops skills, builds up attitudes and overall converts human being into 'human resource' in an Organisation or translating man into manpower by adding the required 'power' to the
man for the purpose of accomplishment of the assigned task and realisation of the global goals. Training plays a pivotal role. It emphasises the critical significance as also the value of human asset, which given the required touch of shine, can alone appreciate in time, contrast with other assets like material (natural, physical, fiscal, etc.) which only depreciate over a period. Training and development like 'broad spectrum antibiotic; has a multi coverage and acts like a travelling salesman's cure all elixir (Dey, 1983).

Training and development is increasingly recognised now, as a most important organisational activity. It acts as a main path to be followed for achieving the goals of any HRD system—which is primarily to develop enabling capabilities of individuals, dyad teams and the entire Organisation (Dey, 1983).

Training is an investment in human resource; it is an important means of improving the human potential and increasing the efficiency of personnel” (Patel, 1946). If an Organisation has invested in training its workforce, it then makes a sense to develop them in such a way so as to put to best use their skills, thereby maximising the return on investment (Mello, 2001). Organisations that for whatever reason, are inclined to treat their employees simply as a cost or commodity, and who hence fail to invest in training and development activity cannot be meaningfully be said to be practising human resource management (Keep, 1989).

Realising the emerging realities, the leading employers in Japan, Germany, USA and Singapore exhibit a greater degree of commitment to training and spend of the order of over three percent of their turnover on training (Gani and Riyaz, 1997).

Few employees think training sufficiently central to their business, the great majority do not see it an issue of major importance but as an overhead, which would be cut when profits are under pressure or as something forced on the company as a reaction to other developments (Cooper and Lybrand, 1985). Mangham and Silver (1986) points out that ‘over half of all UK companies appear to make no formal provision for
training of their managers, and that in companies employing more than 1000 people fewer than one in ten senior managers received any training. In India though the Government, trade unions and political parties exhort companies to put training high on agenda for a greater competitive advantage, evidence that the companies are increasingly investing in human resource by way of training is lacking. According to a study while the average cost of human resource in India is of the order of 9.86 percent of the total turnover, the average cost of training works out to 0.017 percent of the total cost of the human resource (Saiyadain, 1995). While there are firms which attach greater value to training, on the whole the situation seems to be far less rosy mainly due to lack of proper training culture in the country.

The case for training stands firm. It has deep roots and is broadly based. The present inadequacies of training may be glaring, but they can be examined and removed, and real progress can be made in action (Lynton and Pareek, 1996).

**NEED FOR THE STUDY**

The current competitive environment demands that an Organisation, especially the service oriented one, should possess well trained, highly cultured and helping personnel to cater various customer needs. It is the effectiveness of T & D programme that leads the Organisation towards the accomplishment of these objectives. A study conducted by Mehray and Rao (1999) concluded that training with regard to skill deficiencies not only improves employees self confidence, performance in terms of increasing quality of product, reducing breakage, wastage and amount of supervision but improves their overall performance, which employees themselves express. Large establishments are like to have higher quality training programmes as they normally have more training resources and training expertise (Saari, 1988). Large establishments, like British Airways, have made huge investment in
service improvement and staff training, and the business results have been impressive (Kohli and Sinha, 1994). Among the Indian industries, the L&T Ltd. did start their T&D practices in 1975 and thus pioneered the implementation process to their advantage of enhanced competence, adoption to change, role clarity, growth and potentialities etc. Similarly in case of BEML, BHEL, IOC, Voltas and host of other notable industries showed encouraging results on switching over to effectiveness of training and development programmes. But the lack of training and education, and set-up of training is however inadequate in producing the quantity and quality of manpower required to take the challenges of the business world (Khan, 2001). Over 3000 ITIs in the country with capacity of around 5 lakh, train only about four percent of the persons entering into the workforce every year (Jagannath, 1998).

Various research studies have been conducted in India and abroad regarding the effectiveness of T & D programmes. But as far as the service industry is concerned not much has been done in India and even very little in the state of J & K. The state of Jammu and Kashmir has remained relatively neglected from the researchers and academician’s attention. In service sector in the state of Jammu and Kashmir, the Banking sector is one of the leading sector. The changes in this sector in the last decade are parallel when compared to the entire period of banking history in India. Profitability, which remained a taboo for bankers for years since independence, has become a buzzword today. This growth and diversification has posed new challenges and opportunities for the sector. Only a handful research has been done in service organizations. Riyaz (2003) has studied HRD practices in banks. Rafia (2003) has examined HRD climate in banks. Mushtaq (2006) has checked quality of services in banks and Tanveer (2003) has measured satisfaction level of customers regarding Computerisation in banks, but no exclusive study has been so far conducted within the state of Jammu & Kashmir to measure the effectiveness of training and development mechanism, which is of pivotal importance. This sector cannot sustain its high voltage growth without
seriously designing and implementing an effective training and development strategy. In the absence of such a strategy, the sector is bound to face severe problems in the long run.

It is against this backdrop that the present research is undertaken to study the effectiveness of training and development policies of the Banking sector in the state of Jammu and Kashmir. The effectiveness of the training policies are assessed in the light of the current liberalized economic scenario and the phenomenal growth in the business of the Banks. The effectiveness of the training policies and various training aspects like place of training in the Organisation, training needs assessment, training methods, physical environment of training and training evaluation are studied and analyzed on the basis of the perceptions of the employees as revealed through the proposed survey.

OBJECTIVES OF THE STUDY.

The present study has been conducted to achieve the following specific objectives.-

a) Thoroughly review the relevant research literature relating to Training and Development, so that the latest developments are ascertained.

b) Identify the existing policies and practices of training and development adopted by the sample organizations.

c) Assess the perceptions of employees and management with regard to the effectiveness of T & D polices in the sample organizations.

d) Assess the variations if any between and within the employees of the sample Organisations.

e) Suggest the ways and means for improving the effectiveness of T&D in the sample organizations.

The above objectives were obtained by adopting a systematic and objective research methodology. Both primary and secondary data was
collected for the purpose of the study.

First of all a thorough review of literature relating to training and development was done in order to identify the present status of research in the field of training and development and for this purpose various libraries of high repute institutes like FMS Delhi, Fore School of Management, Indian Society for Training and development, MDI Gurgaon, Shri Ram centre for Industrial Relations etc. were consulted and the research gaps were pointed out.

The secondary data was also collected from records, manuals, administrative reports, journals, magazines and News papers etc.

SAMPLE SELECTION

The researcher has chosen two commercial banks one from public sector i.e., State Bank of India and the another from private sector i.e., The Jammu & Kashmir Bank Ltd. as two sample organizations for studying the effectiveness of training and development. The rationale for studying SBI for the study is that it is the largest commercial bank in India in terms of profits, assets, deposits, branch network, and moreover it ranks first in respect of employees in the world. Whereas, The Jammu & Kashmir Bank Ltd. has achieved notable growth in its business turnover, branch expansion, technology, modernisation and capital structure. The select Organisations have taken a number of initiatives to develop their employees with the purpose of maintaining their momentum of growth. How far these efforts have gone deep into their veins, calls for its serious evaluation.

The empirical investigation for the study was carried out in different branches of the sample organizations. In all 514 questionnaires were distributed in the two sample organizations. 371 questionnaires were distributed among the Managers and Non Managers of the J & K Bank. A response of 94% was received from the Managers and 73% was received from its Non-Managers. In the State Bank of India a total of 143
questionnaires were distributed among the Managers and Non-Managers and a response rate in case of Managers was 95% and 94% in case of Non Managers (see Table A). The employees were selected on the basis of stratified random sampling method.

**Table-A**

<table>
<thead>
<tr>
<th>Sample Organisations</th>
<th>Sample for the study</th>
<th>Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Distributed</td>
<td>Received</td>
</tr>
<tr>
<td>The Jammu &amp; Kashmir Bank Ltd.</td>
<td>371</td>
<td>310</td>
</tr>
<tr>
<td>The State Bank of India</td>
<td>143</td>
<td>135</td>
</tr>
<tr>
<td>Total-feedback</td>
<td>514</td>
<td>445</td>
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**COLLECTION OF PRIMARY DATA**

Besides secondary data the Primary source of information was also collected with the help of a well designed questionnaire. The questionnaire of Linda (1998) was taken and was subjected to Pilot-testing.

The questionnaire comprises of three parts. Part first shows the status of Training and Development in the organizations and consists of three dimensions – Training and Development policies, Training need’s analysis, Management’s attitude towards training and development.

Second part ‘Training Delivery and Methodology’ comprises also of four dimensions- Role of trainer, Methods of training, Training environment & Facilities and Accountability & Reward.

Third part shows the effectiveness of Training and development activities which constitutes of dimensions namely Satisfaction with
overall training, Improvement in behavior and attitudes and various types of Skills which in line goes with Katz(1974) conceptual study, which argues that employees need three essential managerial skills in their day-to-day operations, namely technical, human and conceptual. According to Katz (1974), technical skills are an understanding of, and proficiency in, a specific kind of activity, particularly one involving methods, processes, procedures or techniques. Human skills are primarily concerned with 'people', in the sense of the ability to work with other people. Finally, conceptual skills mean the ability to think and conceptualize about abstract situations, to see the organization as a whole and the relationships among its various sub-units and to visualize how the organization fits into its environment.

Further all the dimensions comprise of few items and in the first part the respondents were requested to give response to each item on a 5 point Likert-Type Technique developed by Rensis Liker (1932).

THE SCALE GOES AS:-

1 = Not at all satisfied
2 = A little satisfied
3 = somewhat satisfied
4 = satisfied to a large extent,
5 = very satisfied

And in the second and third part the 5 point scale goes as :-

1 = Not at all
2 = Minima
3 = Moderate,
4 = Large
5 = very Large

At the end of the questionnaire, respondents were allowed to share their opinion, feelings, suggestions, and the problems regarding the ongoing T & D system in their Organisations.
The questionnaire was administered to a sample number of managers and non-managers in the sample Organisations.

**TABULATION AND TOOLS OF ANALYSIS**

The collected data was analysed with the help of Mean Scores, Percentage of Mean Scores and T-test.

The Minitab. (Minitab 11.5 Inc.USA) is the Statistical Package used for the analysis of data.

The Mean Scores were converted into percentage through the formula \( \frac{x}{\text{scale} \times 100} \) for example, if the mean score of training policy is 30887 then \( \frac{3.887}{5} \times 100 \) gives the mean percentage score of 77.75

**Chapter Plan**

The entire study and the results there of are presented in the following five chapters:

1. **INTRODUCTION AND METHODOLOGY**

   This part of the study discusses the concept of training and development. The need for the present study, its objectives, research design and collection of data are also discussed.

2. **PROFILE OF SAMPLE ORGANISATIONS:**

   This chapter is devoted to profile of sample organisations. Here introduction and achievements of the sample organizations are highlighted.

3. **REVIEW OF LITERATURE:**

   In this chapter a thorough review of literature on the subject is made with a view to identify the gaps in the existing literature.
4. RESULTS AND DISCUSSION:
This chapter is based on the findings of the sample survey conducted for this study. In this chapter the various aspects of training such as place of training in organization, objectives of training, training need assessment, training methods, training evaluation are discussed and dealt in detail with reference to the selected Organisations. The findings are presented and analyzed thoroughly with the help of relevant statistical tools and techniques.

5. CONCLUSION AND SUGGESTIONS:
This chapter summarizes the main findings and offers suggestions to improve effectiveness of training and development.