

“A Study on Banks of India Related To Training and Development”

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Abstract

Employee training is the important sub system of human resource development. Employee training is a specialized function and is one of the fundamental operative functions for human resource management. After an employee is selected, placed and introduced, he or she must be provided with training. Training is the act of increasing the knowledge and skill of an employee for doing (particular job). Training is a short term educational process and utilizing a systematic and organized procedure by which employees learn technical knowledge and skills for a definite purpose. Training is usually considered as the organized procedure by which people gain knowledge and/or skill for a definite purpose.

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I. Introduction

Training improves, changes, moulds the employee's knowledge, skill, behavior, aptitude, and attitude towards the requirements of the job and organization. Training refers to the teaching and learning activities carried on for the primary purpose of helping the members of an organization, to acquire and apply the knowledge, skills, abilities and attitudes needed by a particular job and organization. Thus training bridges the differences between job requirements and employee's present specifications.

Employee training and development is an attempt to improve current or future performance of an employee to perform through learning, usually by changing the employee's attitudes or increasing his or her skills and knowledge'. The need for training and development is determined by the employee's performance deficiency, computed as follows: Training and development need = Standard Performance - Actual Performance or Desired Performance.

The History and Evaluation of Training in Indian Banks

Institutionalized system of training in the banking industry commenced in India in 1954 with the establishment of the Banker's Training College (BTC). The Imperial Bank of India (State Bank of India (SBI)) also set up three schools almost the same time to train Probationary Officers in Calcutta, Bombay and Madras. The focus of training curriculum until early 1960, however, was on hard core principles and techniques of banking and the target group were entry level officers and branch managers. Nationalization of banks in 1969 ushered the concept of mass banking followed by phenomenal expansion of branches, number of employees, and diversification of portfolio, etc.

The banking industry responded to these challenges by expanding in house training facilities, setting up an apex level institute, National Institute of Bank Management (NIBM) to specially cater to the felt needs of the entire industry, sponsoring large number of officers to reputed management institutes and professional bodies within and outside the country. "Multitude of institutions, training programs and large number of officers and staff members trained over the years is a clear indication of the popularity of training and development activities in Public Sector Banks. The analysis of the available data on training in Public Sector Banks reveals that, in quantitative terms, they have a very impressive record."

Why the net impact of these massive effort and huge investment made has failed to make desired impact on individual and collective performance and overall business results is not a secret." Absence of well articulated and shared Human Resource Development (HRD) vision, mission and long term perspectives, glaring inadequacies in scientific analysis of training methodology, availability based sponsorship to training programs, over emphasis on concepts and theoretical aspects of banking, quality of trainers and near absence of post training follow-up etc, are to a very great extent, responsible for sub optimal results achieved by training"3. Observations by the Narasimham committee on banking reforms in 1998 are very apt. It urges "the management

of Indian banks to review the changing training needs in individual banks keeping in mind their own business environment and to address these urgently”

Cryptic comments, on training made by the M S Verma panel on Restructuring Weak Public Sector Banks (1993 though made in respect of only three Public Sector Banks echo the state of affairs in many other banks. It says "leadership at the middle level in three banks is seriously lacking. This is largely because of inadequacies in skills both in traditional areas of banks operations as well as the new areas in which most banks are now moving. In specialized areas like credit, treasury operations, foreign exchange and of course IT, the three banks are extremely deficient in skills and are almost out of the market."

A working group on training was set up at the time of social control on banks under the chairmanship of B N Adarkar. This group studied in depth the required training in the changed context of the Indian banks. The group suggested several measures to improve knowledge, skills and attitudes of bank employees through training. As a result of these efforts the banking industry started laying increased emphasis on training and development. The Adarkar committee made valuable suggestions most of which are still valid. One of the most important suggestions pertains to the involvement of top management in training. In this regard the committee observed: "It is sometimes considered that bank executives do not require any training. The working group considers that training is necessary at all levels and at all stages and that training programs cannot have the necessary prestige or acceptance unless the lead is given by the top management."

There is yet another reason why training activity must begin at the highest level. In many operating areas of the banking industry, there are several issues and problems which need to be cleared at the highest level. Unless they are satisfactorily settled at that level, there is little likelihood of the officers getting the necessary support in developing fresh thought or new techniques in their day to day working in these fields. "Such a block at the higher levels would inevitably defeat the very purpose of training at the lower levels. Indeed, officers who undergo such training have, as a result, developed new skills and attitudes inevitably feel that such training is not a waste of their time."

One of the first steps taken in this regard was to provide the necessary infrastructural support to training efforts. Consequently, 'The National Institute of Bank Management (NIBM) was set up in 1969 as an apex training, research and consultancy organization. The basic objective of NIBM was to usher in professionalism in Indian banks and it was expected to train top and middle level bank executives as also to facilitate individual banks to develop effective training activities. NIBM, therefore, initiated a series of activities to evolve new training programs and to train the trainers from banks on different dimensions of bank management. NIBM was directed to give priority to research on different dimensions of banking and bank management. In addition to NIBM, there are also two other apex level training institutions, viz. the Bankers' Training College (BTC), and the College of Agricultural Banking (CAB). These two institutions are expected to provide functional training programs while NIBM essentially caters to the management aspects of banking. Besides these industry level institutions, there are more than three hundred individual bank level training colleges and training centers.

From mid 1969 onwards, relatively highly educated persons, most of them with postgraduate degrees in Commerce, Arts and Sciences entered banks at clerical and junior officers' levels, thus changing the profile of the Indian bank employees. Although they were highly qualified, to keep their skills, knowledge and attitudes in line with the requirements of the industry, reorientation efforts were necessary. However, the training systems in the banks could not catch-up with the increasing intake of manpower. This led to a major gap between the training system and the reality of banking operations. For Example, "it was stipulated by the Department of Raking. Government of India and Reserve Bank of India that every new employee should undergo an orientation program right at the initial stages but the new employees got their turn for induction/orientation program only after several months of their joining the banks. By this time most of them were probably oriented otherwise sometimes even by undesirable elements within."

Although the industry had impressive number of training establishments, the training activities have not been able to effectively cater to the needs of the industry fully. A closer examination of the state of affairs regarding training in banks indicates that the real reasons for this lie elsewhere. Some of them are:

- [1] Lack of conviction of the concept of training
- [2] Lack of top management support
- [3] Improper selection of trainees
- [4] Ineffective use of training methodologies and
- [5] Undesirable pressure for quantity rather than quality.

A conference of training college principals and General Managers in charge of Personnel Management in banks held at NIBM in December 1989 identified the following constraints in making training activities effective in banks:

- [1] Training does not receive due attention from the top management
- [2] identification of training needs is not done systematically

[3] No systematic effort is made to select training faculty and there is lack of opportunities for career advancement for faculty members

[4] Insistence on number of programs and number of employees to be trained to work against the quality of training and

[5] Post training placement is not done seriously by banks.

Even after 40 years since the recommendations of the Adarkar committee, the top managements support to training is not very clearly visible in most banks. It is interesting to note that yet another Principals' Conference held at NIBM during February 16-18, 1998 also identified most of the earlier constraints including "lack of top management involvement, quantity based training, lack of good trainers, etc. are still persisting" 10. The constraints identified by the Principals in 1989 and 1998 are not necessarily specific to the Indian banking industry only. Most of these deficiencies are reported as universal problems of training. To make training efforts as close as possible to reality, certain positive steps have to be initiated. This would make training a useful intervention in the banking industry.

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