

# A STUDY ON TRAINING AND EMPLOYEE DEVELOPMENT IN COMMERCIAL BANKS

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**Abstract** Training and Development being one of the core techniques of Human Resource Development is the vital tool that contributes to the development of competencies in commercial banks. For carrying out a micro and in-depth study on training and employee development in commercial banks, sample of three main commercial banks have been selected from Dakshina Kannada District of Karnataka State, as the locale of the study. The banks selected are Karnataka Bank Ltd. in the private sector, Corporation Bank in the public sector both originating from Dakshina Kannada district and under new generation banking sector the sole ICICI bank branch that is functioning in Dakshina Kannada district were selected.

This research aims to understand the attitude and work performance of employees of commercial banks after undergoing training. Apart from understanding the effectiveness of training programmes the study also aims to identify the magnitude of training needs of employees at different levels in commercial banks under study. The study has identified some flaws in the training system of these commercial banks suggests measures to improve the existing training practices in banks. Training should receive the maximum support from top management at the emotional level, in such a way that training system should be involved in solving strategic organizational problems.

**Keywords** Trainers, Training Need Identification, Training Evaluation, Training infrastructure, Human Resource Development, Organizational problems

## INTRODUCTION

Organizations in the world over have become increasingly aware of the importance of human resource. Human Resource Management is an important link for employees to understand the organization, and for the organization to communicate effectively with the employees. Human Resource Management (HRM) assumes that management of people is an integral part of the resource management task within enterprise for an achievement of organizational objectives. Human beings develop a stake in enterprise, as they work in it and hence their motivation, development and growth constitute a critical factor in the development and growth of the organization (Mobeen 2001). A crucial managerial responsibility is to harmonize the interest and growth of the organization along-with employees at all levels.

Dynamic people can build vibrant, successful organizations and effective employees can contribute productively. As per Jain et. al (1997), the contributions they make may not be arithmetically measurable, yet unlimited potential exists for development and attainment of goals the workforce can make. Competent and motivated people can make things happen to achieve goals. Therefore, the organization should continuously ensure that dynamism, necessary competency, motivation and effectiveness of employees remain at high levels at all times. Human Resource Development (HRD) is

a continuous process to ensure the development of employee competencies, dynamism, motivation and effectiveness in a systematic planned way. It involves the use of processes and techniques through which the employees of the organization are prepared to give their very best for corporate objectives and bring about optimal effectiveness in their jobs.

The only certainty to punch the competition in the market is to build the competence of the workforce. Competence is a relative term, increasing or decreasing with the competition. To succeed, organizations have to add value and this will increasingly come through the competent people. Training and Development (T & D), being one of the core techniques of Human Resource Development (HRD) is the vital tool which contributes to the development of competencies (Ravi, 2001). Training is one among the different remedies for poor performance. Training bridges the gap between the actual performance and the desired level of performance. Training enables an employee to acquire the needed skill not only to perform the current job, but also the additional skills to perform the job at higher levels, when he moves up in the ladder in the organization.

As per Chellappa (1976), training is essentially the process of changing people their knowledge, skill, motivation, attitudes, behaviour through instruction, demonstration, practice, participation and other techniques. Training and development functions emphasize continuous development of capabilities in people so that they are able to perform

their tasks well and meet emerging challenges of the changing organizational environment (Durgaprasad, and Srinivasa 2001). Training provides intellectual stimulation to employees who are conscious of their growth (Prabhu, 1999).

Banking in India is undergoing transformation, year by year. In the face of increasing competition, rapid technology advancement and stringent viability norms, it becomes inevitable for the banks to use the abilities of all of their employees to the fullest extent for facing future challenges. For this, they have introduced various HRD measures and training is one amongst them. According to Gupta, (1997) banks are among major service sector industries, employing a large force of people which contribute substantially to the economy of our nation. This vast reservoir of latent talent if nurtured and chiseled carefully can increase organization synergy to new heights. The dynamic process of training in banks bridges the gap between the demands of the competitive environment and the supplies that the bank could afford.

Training system in the banks must be geared to ensure achievement of continued excellence of the banking sector in all its areas of activities. Apart from bridging the knowledge gap, development of proper skills and attitudinal transformation, training in banks play a critical role in facing the challenges, performing effectively in critical areas of banking and also to meet the functional diversification in banks.

Though training and development is one of the most apparent activities in banks, yet how far it has been successful in changing the attitude of the employees and in preparing the employees for meeting future organizational contingencies, needs introspection. Simple training does not bring perceptible improvement in functioning of employees unless and until it is supplemented by bank's commitment towards HRD policies, analysis of training needs, planning and designing the training course, implementing the training programme, assessing the results through the evaluation of training and also effective post training utilization of employees.

## STATEMENT OF THE PROBLEMS

In tough times, budget gets squeezed and training is often one of the first for the chop. 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 emerging challenges of the changing environment is a debatable issue (Kaye, 1993).

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. There is lot of delay, inaccuracy, irregularity and lack of concern while providing service to the customers (Muniraj, 1994).

As per Rao, (1982) 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 the 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.

According to Daudelin and Douglas (1997), no training programme supports itself and unsupported learning inevitably dies. Training's need for 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 too easily 'Snuffed Out' unless an interim support is provided.

More 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 or efficiency. The training programmes have been so much mechanized that no attempt has been made to develop behaviour modeling 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 the training imparted and the placement of the trainees or the work he has to perform after the training.

Many banks rise in 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 tasks managers have to accomplish in competitive banking arena (Culbertson and Thomspson, 1980).

Truly speaking, the banks are not practicing the full-fledged

evaluation system, where in the behaviour and evaluation 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. As per Barrett and O'Connell (2001) the employee can provide the classes 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 already have 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 trainees to bypass instructions they don't need (Deterline, 1997). Bypassing is actually managed by administering a performance pretest which provides a basis for certifying a trainee who meets the required criteria on the pretest.

It has been observed that often trainers repeat the same material irrespective of the need and the relevance. No professional training for the trainers would make the role of the trainer highly ambiguous.

Training session usually does not begin by uncovering the importance of the particular training for the trainee, due to which the trainee is hardly convinced that there is a need for him to know the aspects that are taught. Stickler (1992) says that the training should begin by 'uncovering' why the training is essential, by 'discovering' through the actual presentation of the materials and by 'recovering' what has been learnt by the trainees.

The study is carried out to analyse these problems and suggest measures to improve training and evaluation techniques in the sphere of competitive environment. The study also aims to answer several research questions such as, analysis of training needs, infrastructure of training, efficiency of the trainers, approach of the trainees, the effectiveness of the training in improving the essential skills of 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 on the title "A Study on training and employee development in commercial banks" – is a study carried out in Dakshina Kannada District, keeping in view the following objectives:

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

## HYPOTHESES TESTED

1. Main hypothesis: training enhances the performance of the bank employees and also helps in their attitudinal transformation.
2. Training does not help to 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 the type of training imparted and training needs of the employees at different levels.
5. External training is more effective than the internal training.

## SCOPE OF THE STUDY

The research study on the title, "A Study on Training and Employee Development in Commercial Banks" is carried out in Dakshina Kannada District. A study of the research problem in all its dimensions covering the entire geographical area is highly impossible. Therefore, for carrying out a micro and in depth study on training and employee development

in commercial banks, sample of three main commercial banks have been selected from Dakshina Kannada District of Karnataka State, as the locale of the study. The banks selected are Karnataka Bank Ltd. in the private sector, Corporation Bank in the public sector both originating from D.K. District and ICICI bank in the new generation banking sector. Further, the researcher hailing from the study area has found it convenient to carryout the study on the training programmes conducted by commercial banks operating in the district.

The study examines 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 ascertains the utility of such training programmes to meet the present needs and the future challenges of 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 fulfill the business goals of the banking system. The study also helps the bankers in devising the training programmes and in framing the policies to device 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 would help other banks also in devising their training programmes.

## RESEARCH METHODOLOGY AND SAMPLE DESIGN

The three major commercial banks selected as sample for the purpose of research study are Corporation Bank (CB), a leading public sector bank, Karnataka Bank Ltd. (KBL), a leading private sector bank and a new generation private sector bank namely Industrial Credit and Investment Corporation of India (ICICI). Dakshina Kannada (D.K.) district has five taluks in its purview, namely, Bantwal,

Puttur, Belthangady, Sullia and Mangalore. Total number of branches of CB, KBL and ICICI including extension counters in five taluks of D.K. district were 65. The number of employees from chief managers to clerks in Corporation Bank was 911 and 549 in Karnataka Bank Ltd. in the year 2001-2002, excluding the employees of Staff Training Colleges (STCs) in both the cases. Exhibit I shows the details of employees in all the taluks of D.K. district from both CB and KBL in the year 2001-2002. A detailed study comprising of all 1460 respondent bank employees is 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% each of the total number of respondents (1460) from both the banks is taken for the study. 20% of clerks, special assistants, officers and branch managers, senior managers and chief managers individually constitutes to 183 from CB and 109 from KBL, forming the sample size of 292. The whole population of 15 employees from ICICI Bank, which is presently working in Mangalore taluk of D.K. District, is also selected.

The study is partly explorative and partly descriptive, keeping in view of the objectives and hypothesis, these were found to be the most appropriate methods of research investigation. The study not only concentrates on 'Summative Evaluation' (Bloom et, al, 1971) 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 concentrates on attitudes, conception, interpersonal relations of the employees. So it is a phenomena relating to quality. Attitude or opinion research is 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. The secondary data collected from various sources also have been incorporated wherever necessary, to substantiate the primary data.

**Exhibit 1:** No. of employees and the sample respondents of Karnataka Bank Ltd. and Corporation Bank in D.K. District (Excluding STCs)

	Sullia		Belthangady		Puttur		Bantwal		Mangalore		Total No. of Population		Sample of Respondents (20%)		Total No. of samples of KBL & CB
	KBL	CB	KBL	CB	KBL	CB	KBL	CB	KBL	CB	KBL	CB	KBL	CB	
Clerks & Special Assistants	8	7	7	6	15	22	13	17	279	386	322	438	64	88	152
Officers (Scale I)	3	2	3	1	5	5	5	5	98	169	114	182	23	37	60
Managers – Senior Managers & Chief Managers (Scale II, III & IV)	1	1	-	1	1	3	2	2	109	284	113	291	22	58	80
<b>Total</b>	<b>12</b>	<b>10</b>	<b>10</b>	<b>8</b>	<b>21</b>	<b>30</b>	<b>20</b>	<b>24</b>	<b>486</b>	<b>839</b>	<b>549</b>	<b>911</b>	<b>109</b>	<b>183</b>	<b>292</b>

The collected data were descriptively presented in terms of tabular and graphical format. The statistical analysis was carried out in three parts. Simple statistical tools such as average and percentage analysis were used wherever necessary. Whereas, advanced statistical analysis was carried out using 't' test, paired 't' test, Analysis of Variance (ANOVA), Analysis of Covariance (ANCOVA) Chi-square Analysis ( $X^2$ )

The significance was determined by using the level of significance at 0.005. Besides the above analysis, the responses to open ended questions are analysed through content analysis. All the responses were converted to the numerical form and entered into computer using MS Excel Software. Each questionnaire was entered into separate data file. Later the data were imparted in STATA software wherein all the advanced statistical analysis was carried out.

## MAJOR FINDINGS OF THE STUDY

### Impact of Training on the Skills of Employees

The effect of training on Bank Employees in different banking skills, before and after training was analysed. Out of the seventeen skills identified, seven skills had shown moderate improvement, after training. They are Marketing Skill (43.59%) Communication Skill (27.27%), Accounting Skill (41.90%), Cash Management Skill (56.55%), Time Management Skill (55.62%), IT Related Skill (73.57%) and Customer Service Skill (59.13%). The remaining skills had shown very minimal improvement. These Skills are Analytical Skill (11.67%), Human Relations Skill (11.17%), Credit Appraisal Skill (15.79%), Risk Management Skill (7.14%), Inter Branch Reconciliation Skill (8.07%), Conceptual Skill (8.64%), Technical Skill (24.075), Role Identification Skill (17.5%), Problem Solving Skill (11.03%) and Behavioural Skill (7.79%).

### Employee's Attitude Towards Development of Skills

Employees have shown reluctance in developing most of the above mentioned skills, as many of these skills were not always useful in discharging their day to day functions. For instance, the improvement shown after the training in relation to IT, Accounting, Marketing, Cash Management and Customer Service Skills surpass the improvement in relation to Risk Management Skill, as the level of improvement was 7.14 per cent only. This shows that the employees paid attention only for certain training programmes, or the programmes in part which imparted certain bare essential banking skills mentioned above, to function effectively.

### Concentration of the Bank on Specific Banking Skills

Some of the relevant skills like Cash Management, Credit Appraisal, Accounting, Problem Solving Skills of the trainees were very poor even before the training. This shows that the banks do not give importance to specific skills of the employees at the time of recruitment to various levels.

### Impact of Training on "Soft Skills"

It cannot be denied that training in Soft Skills (interaction, behaviour and judgment) will help in more selling, marketing and customer satisfaction. In spite of training the employees several times, over a period, the employees have not shown appreciable improvement in certain important Soft Skills like behavioural, human relations, conceptual and communication skill. Even though, communication skill shows moderate improvement after training (27.27%), the training actually has enhanced the Communication Skill to a very limited extent since the Communication Skill of the employees was moderate even before the training itself.

### Effectiveness of Training on Banking Skills

Even though certain relevant banking skills have not shown expected improvement after training, the overall skills had shown significant improvement after training ( $t = 21.327$   $P < 0.0001$ ) and thereby, the banking training has significantly contributed to the enhancement of the overall performance of its employees.

### Comparative Analysis of Effectiveness of Training In Cb and Kbl

Comparative analysis of effectiveness of training on the employees of the Corporation Bank and Karnataka Bank Ltd. reveals that the Corporation bank employees have picked up skills, better than the Karnataka Bank Ltd. after training. Statistically, the improvement is highly significant ( $t = 3.1244$   $P = 0.0025$ ). The actual factor causing variation between the banks has been verified with the help of Analysis of Co-Variance (ANCOVA), which reveals that the gain after training was not much different between the banks ( $F = 1.82$ ,  $P = 0.1808$ ), which is not significant statistically either. This was because, the skill improvement of the employees in the Corporation Bank existed even before the training itself ( $F = 152.71$ ,  $P < 0.0001$ ). Thus, even though the Corporation Bank had fared well compared to Karnataka Bank Ltd. after training, the difference obviously was due to before training score. It means as far as effectiveness of

the training in improving performance of the employees is concerned; the outcomes of both the banks are similar.

### Implication of Training in Attitudinal Transformation

51.25 per cent of 80 managers of both CB and KBL stated that the employees had developed positive attitude after training. 48.75 per cent of 80 managers were neutral in expressing about the attitudinal transformation of employees. None of the respondent managers mentioned the negative attitude of the employees after undergoing training. This shows that the training had resulted in fair amount of positive attitude, skill and quality of work in the employees.

### Positive Attitude of The Authorities

The authorities appreciate the employees for the new behaviour and improved skill after training. Authorities take interest in employees' training and encourage them to apply new methods and techniques learnt in training.

### Utilization of Training Inputs

Even though the staff is able to make use of training inputs at work, employees' training status is hardly considered while enforcing job rotation. This shows that there is no correlation between the training imparted and job performed mainly at the clerical level.

### Utilization of Training in Customer Service

Training has helped the employees to interact effectively with the customers and colleagues and thus the customer complaints are very less.

### Influence of Age, Experience and Area

Factors like age, experience and location have not influenced the managers in assessing the attitudinal transformation of their staff. Analysis of Variance Test (ANOVA) reveals that age has no influence in awarding the score ( $F = 0.31$ ,  $P = 0.8695$ ). Also, experience ( $F = 0.32$ ,  $P = 0.2726$ ) and area ( $F = 2.91$ ,  $P = 0.0607$ ) have not influenced the managers in assessing the attitudinal transformation of their staff.

### Influence of the Type of The Banks

The status of a 'leading public sector bank' and a 'leading private sector bank' has influenced the respondent manager's

assessment in identifying the true attitudinal transformation of the employees due to training. The type of bank has an influence in awarding the score regarding attitudinal transformation of the staff. The F ratio of the calculated value ( $F = 6.96$ ), is greater than the table value and thus, it is significant ( $P = 0.0101$ ). Thus, the influence of the type of banks on their managers in perceiving employee's attitude after training cannot be denied.

### Employee's Attitude Towards Training Through Self-Rating

Apart from 80 managers of both the banks opining about the attitude of their respective staff after training, self rating of application of training on the job by the employees themselves is also assessed through 292 sample banking personnel of both the Corporation Bank and Karnataka Bank Ltd. The finding reveals that a majority of the respondents (51.37%) show negative to neutral attitude towards the training and only 48.63 per cent of the respondents have positive attitude towards the utilisation of training input at work. Only 10.96 per cent of the respondents expressed that their superiors had positive attitude towards their subordinates. A majority (47.6%) of the employees responded unfavourably towards their superiors' attitudes. 41.44 per cent of the employees expressed neutral attitude. The officers' attitude toward training is more favourable than the clerks ( $t = 4.1400$ ,  $P < 0.0001$ ). The urban employees are more favourable towards training than the rural employees ( $t = -3.6827$ ,  $P = 0.0003$ ) which shows that area is significant in awarding the score.

The postgraduates have high regard towards the training and more favourable attitude towards training ( $t = -2.6294$ ,  $P = 0.0090$ ) than undergraduates. This shows that education plays a major role in influencing the employees' attitude towards training, development and learning.

### Perception of The Employees on Various Training Programmes

Perception of the employees on various training programmes was found to be poor to satisfactory. Findings state that out of 292 respondent personnel of both the banks, 48.63 per cent rated induction and special induction as good, 50.68 per cent rated as satisfactory and 0.68 per cent rated as poor.

In 'Bank Marking and Customer Service' training programme, a majority of the respondents reported as satisfactory (60.27%) and 30.48 per cent expressed poor quality of this training and only 9.25 per cent of sample employees rated it as good. In the case of Branch Management, Resource Mobilization and Business Development, training programmes, 55.14 per cent rated it as poor. In the case of orientation programme, on the whole, 53.42 per cent of the respondents rated it satisfactory

and 17.47 per cent as poor. With respect to 'Recovery' programme, 80.48 per cent perceived it as of poor quality and 75.68 per cent of the employees rated credit appraisal as poor quality. 73.63 per cent of the respondents rated HR Skills as poor quality. This shows that training programmes are only theoretical and their practical application is comparatively limited. The respondents also may be of such nature who rates the training programmes negatively.

### Rating of Training Methods by Trainees

A majority of the respondents expressed good and satisfactory ratings for the training methods like Case Study (Good = 15.75%, Satisfactory = 63.36%), Conference (discussion) (Good = 18.84%, Satisfactory = 44.52%), Lecture (Good = 55.14%, Satisfactory = 32.19%), and Programmed Instruction (Good = 20.20%, Satisfactory = 67.81%). The methods such as Business Games, Films, Role Play, Simulation exercises bagged poor to satisfactory rating as the trainers were not well versed with these methods. The keenness to participate in the novel techniques of training was also limited amongst the trainees.

### Identification of the Training Needs

Training is given on wholesale basis and also there is no link between the training given to a particular employee and the type of work he handles. For instance, an employee who is trained in marketing may be put in Cash Management, which shows that there is no relationship between the type of training imparted and training needs of the employees at different levels. This is substantiated by some of the findings. Only 32.88 per cent of the sample banking personnel said that their training needs were well identified but the remaining 67.12 per cent felt that their training needs were not properly identified. Only 25.34 per cent of the sample employees felt that the current form of training was relevant to their work. This indicates that remaining 75.65 per cent feel that training is irrelevant to their work. 48.97 per cent of the respondents were well prepared and had positive frame of mind to take up training. 86.30 per cent of the respondents complained that they were not given the chance to express their strengths and weaknesses with the superiors. It shows that the employees' real interest, aspirations and requirements took a back seat while selecting them for training programmes. However, 65.07 per cent of the sample personnel selected responded affirmatively that the present model of training was well-focused on its vital areas.

### Employees' Opinion on Identification of Training Needs

Out of 292 respondents, all officers (140) responded favourably that their training needs were properly recognized,

whereas the clerks (152) felt that their training needs were not properly identified. This feeling of discrimination is natural for the clerical category since the number of programmes for them is less when compared to the programmes for officers. Officers' category is more exposed to seminars, workshops, external and In-Company forms of training which the clerical category is denied of.

### Influence of Gender, Area, Designation and the Ownership of the Bank in Their Opinion towards the Identification of Training Needs

Analysis of Variance (ANOVA) Test reveals that gender has no significant effect in analyzing the training needs of the employees ( $F = 0.13$ ,  $P = 0.7145$ ). The employees working in urban areas show favourable behaviour towards training programmes and their training needs identification are more realistic than the rural employees ( $F = 9.97$ ,  $P = 0.0018$ ). The ownership of the bank ( $F = 24.80$ ,  $P < 0.0001$ ) and different Cadres of the employees ( $F = 29.67$ ,  $P < 0.0001$ ) have highly significant responses towards the training needs.

Results of t test with equal variance in training needs between the banks reveal that Corporation Bank employees were responding more favourably about their training needs than the KBL employees and it shows a highly significant value ( $t = 5.0905$ ,  $P < 0.0001$ ).

This shows that public sector bank CB identifies the training needs of its employees in a better way than the private sector bank KBL.

### Evaluation of Training on the Basis of Practical Orientation of Training, Methods of Training, Trainers, Infrastructure and Effectiveness of Training

In order to understand the effectiveness of training, there has to be an evaluation carried out. Therefore, a simple evaluation of training was conducted and some important findings were: 77.40 per cent of the sample respondents felt unhappy about the training inputs as they were more theoretical and were not relevant for their work. However, it contradicts their own statement that (65.07% of the sample respondents) the present model of training was well focused on vital areas of banking. This fact itself states that the bias of the respondents towards training could not be avoided fully. 68.84 per cent of the respondents were not happy with the teaching practices, which give an impression that trainer's teaching methodology was outdated or they hardly used new ways of teaching. 68.49 per cent of the respondents felt that trainers tried their best to clarify the trainees' queries. This shows that the trainers in banking training system acted not only as andragogists but also as facilitators and counsellors.

Only 32.87 per cent of the respondents expressed favourably to the facilities for training including the infrastructure. This indicates that a majority (67.13%) always missed good infrastructure facilities of Staff Training Colleges (STCs) of their banks. In spite of all these drawbacks, 86.64 per cent of the respondents evaluated overall training positively since it enriched their knowledge and skill.

By taking into consideration all the above points, it brings out the employees were not fully appreciative of the training systems of their banks.

### **Influence of the Cadre in the Evaluation of Training**

Pearson Chi-Square Analysis of association between officers and staff in the evaluation of training reveals that there is significant difference between officers and staff in awarding the score for evaluation of training (Chi-Square ( $\chi^2$ ) = 27.062,  $P < 0.0001$ ). The reason is that the officers are content with the exposure they are given to the latest trends and techniques in banking by getting deputed to various functional and specialized training programmes on a regular basis. Since they are given the training depending upon their field of work and also as per their need, they have evaluated the programmes by rating them highly.

### **Impact of Ownership (Type) of the Bank, Gender, Area and Designation in Rating Evaluation of Training**

Exploration of any influence on the type of the bank, gender and area of the bank and designation of the personnel in evaluating positively or negatively the training were analysed. The results of ANOVA state that there is a significant difference between the banks in evaluating their training ( $F = 7.12$ ,  $P = 0.0081$ ). Once again the Corporation Bank employees rated their training higher compared to KBL's training. This shows that training in CB is more organized, better equipped with study materials, and more relevant to the practice. However, the bias of the respondents could not be avoided completely. Apart from the designation of the employees, the area and gender do not have any role in influencing the employees to award scores for evaluation of training.

### **External Training Evaluation**

Out of the 60 officers (30 from CB and 30 from KBL) who were surveyed regarding external training programmes, 71.67 per cent of the officers were very much impressed by the external training. 85 per cent of the respondent officers felt extremely good about the infrastructure and other facilities provided by the external training institutes. This shows that

the infrastructure plays a major role in creating the learning atmosphere which makes external training impressive, compared to internal training. As far as enrichment of the knowledge, practical orientation and teaching methodology were concerned, 11.67 per cent of the respondents said that it was poor and 41.67 per cent of the respondents said that it was fair and only 40 per cent of the respondents felt that trainers put in effort to clarify their queries. 43.34 per cent of the respondents acknowledged excellent teaching methodology. Thus, in respect of enrichment of knowledge, practical orientation and teaching methodology were concerned; a majority opined that it was the same as that of internal training. Pearson Chi Square Analysis conducted on behalf of both Corporation Bank and Karnataka Bank Ltd., does not show any significance in providing their opinion as far as practical orientation, ( $\chi^2 = 0.6984$ ,  $P = 0.705$ ), teaching methodology ( $\chi^2 = 1.2095$ ,  $P = 0.546$ ), trainers' keenness in clarifying the doubts of trainees, ( $\chi^2 = 0.3333$ ,  $P = 0.846$ ), excellent infrastructure ( $\chi^2 = 0.1307$ ,  $P = 0.718$ ) and enrichment of knowledge and skill ( $\chi^2 = 1.4686$ ,  $P = 0.480$ ) are concerned. All these findings confirm that external training is more effective than internal training.

### **Trainee's Opinion towards Internal Training**

Even though a majority (73.03%) of the respondents felt that training did not help interaction with the people, yet they felt that training helped improve their personality, skill and attitude of the bank employees drastically. About 91.44 per cent of the sample employees said that they acquired the knowledge about the work after undergoing training. 70.55 per cent of the respondents felt that training helped them acquire knowledge about the recent developments that have taken place in the various areas of banking. About 80.14 per cent of the sample also opined that the training met the job requirements in the bank.

### **Rating of Trainees Towards Internal Training**

A majority (42.12%) of the sample respondents felt that internal training was neither too good nor too poor, but moderately good. About 34.93 per cent of the sample personnel rated internal training from good to very good. Respondent's rating of internal training as good, moderate and poor depended upon their likes, dislikes, different expectations, values and mind sets. Even though, 67.81 per cent of the respondents stated that they attended the training programmes out of their own interest, about 10.62 per cent of the respondents even felt that they were attending the training programmes out of compulsion. This shows that the employees were not motivated enough to attend the training programmes. At least, 10.62 per cent of the respondents might always feel training as useless, since they were

pressurized to attend the training programmes. Thus, there was a possibility that these people might even evaluate the training negatively without applying their mind on it.

### Opinion of the Faculty on Teaching in the Staff Training College

All the eight trainers felt that teaching not only developed their communication skill, but also provided a sense of acquisition of knowledge and achievement. The trainers enjoyed their work and their level of motivation was high. However, as far as co-operation of the departmental heads and provision of adequate funds for the introduction of novel techniques in training were concerned, it was only up to the satisfactory level. Trainers were barely given training before being inducted into the STC and thus, the trainers might not be empowered to the fullest extent and the system hardly made them accountable for the ineffectiveness of the training.

Teaching in any field is not smooth sailing, it requires real personality and smartness to conduct various sessions in training programmes, and trainers need to constantly upgrade their knowledge and skill to keep in tune with the latest trends. These functions are entirely different compared to the functions of the managers of H.O. or branch office.

### Perception of the Faculty on Trainees

Perception of the faculty about the trainees varies widely. They feel that most of the trainees are not participative and do not have the ability to concentrate and interact on the topic of discussion. Trainees attend the programmes casually, without evincing much interest and out of compulsion as well. However, the faculty also opines that the trainees have a desire to do better on their job and also to avail of promotion.

### Observations on Training at ICICI Bank Ltd

The ICICI Bank Ltd. focuses on on-line-training (learning) with the help of e-Learning solution which is provided by Brain-visa, Software Company. The Bank has a training institute at Pune that provides training in functional areas of banking. A person on an average goes through, about 62 man hours of training at ICICI Bank Ltd. every year. All employees of the ICICI Bank Ltd. will have to clear 'Certification Test' through 'Learning Matrix', based on the area of their operation within a stipulated schedule. The Software 'Learning-Matrix' provides knowledge and solution to all the products of the bank such as Credit Card, Debit Card, D-MAT, house loan, car loan, NRI Account and ATM

functioning. Thus, employees get trained on-line on various products of the bank and acquire mastery over it. ICICI Bank Ltd. also concentrates on soft skills training for its employees because it feels that soft skills can do hard sell. ICICI Bank Ltd. has a tie up with institutes like Entrepreneurship Development Institute of India (EDI) and Invest India Economic Foundation (IIEF) for Leadership Programmes, Intrapreneurship and Entrepreneurship Programmes, Executive Training and Knowledge Enhancement Workshops and courses in Financial Investment and Analysis.

Employees of the ICICI Bank Ltd. in D.K. District feel very much excited about their training system since they enjoy being trained and they feel training acts as a change from the routine banking work, resulting in learning and development. A commendable aspect of Training in the ICICI Bank Ltd. is that there is a correlation between the type of training imparted for the employee and the job handled by him/her. Thus, the training inputs are properly utilized by the employees at work. The training needs of the employees are properly identified and they are trained through on-line as well as by the training institutes (both internal and external) depending upon the functions handled by them. The young generation in ICICI Bank Ltd. is very much receptive and they have the aptitude to learn new things and apply it on their job to show higher performance. Twelve out of the fifteen employees of the ICICI Bank Ltd. in D.K. District opine that the present model of training is well focused on vital areas of banking and are very much relevant to their work.

### SUGGESTIONS

1. Training in both CB and KBL has made a least impact in improving certain important behavioural or interpersonal skills amongst the employees at different levels. Human Relations and Interpersonal Skills training which help in changing the behaviour of the people should be imparted to the employees at all the levels in the bank, so that this change in behaviour leads to superior results. As a result of these superior results, the trainee's attitude towards training also changes.
2. Lecture method is not a feasible for interpersonal or behavioural training. To get the maximum effect of behaviour training, it has to be arranged for a small group of people for several sessions in discussing and practicing relevant topics in interpersonal skills till they get convinced and start practicing it.
3. Lectures have limited role to play in gaining mastery over certain banking skills like analytical and conceptual skills. Programmes need to be designed around specific skills. Business games and laboratory training help the trainees to share their experiences and learn from others.

4. More and more training programmes on marketing and customer service could be held by both the banks as they are the thrust areas which ensure business to the bank.
5. Employees training status has to be considered by the bank so as to avoid the mismatch of needs and training. Proper post training utilization would ensure high returns in the form of change in style of performing and functioning as the knowledge gained could be applied without any stumbling block.
6. Selection of the faculty (trainers) in the training colleges should be streamlined by the change in the mentality which should begin with the top management itself that percolates to different divisions in the bank. The training should be given an exalted status in the bank and trainers should be rewarded doubly, by giving them more salary and benefits. This will reduce the low glamour attached to the training activity. It is essential to motivate the trainers by enabling them faster promotions, awards and carrier growth.  
Only the best people who are genuinely interested should be selected for the faculty position instead of offering this post to the left outs in operational and administrative fields in the banks.
7. More and more research and development activity, participation of trainers in functions of customer education should be established, so as to enhance the credibility of training in banks. Trainers could be given the status of consultant to the top management in framing policies and strategies.
8. Pedagogy in CB and KBL should include more and more interactive sessions through Role plays, Sensitivity training, Case studies, Simulation, Seminars apart from a lecture method which seems to be popular.
9. Preparation of the trainees to attend and accept the training instructions, psychologically plays an important role as individuals may not work hard on anything unless they are convinced of benefits and advantages.
10. The Bank management should broaden the scope of the training policy so as to impart certain behavioural and attitudinal training programmes for both clerical as well as sub-staff category rather than concentrating more on officers cadre alone. The smooth workflow and efficient customer service largely depends on the clerical and sub-staff cadres also.
11. Clerical and sub-staff cadre should also be given accessibility for seminars and conferences, on a selective basis. Extremely good and talented among them could even be deputed for external training programmes. By considering all these things, they feel empowered and would be able to work with greater commitment and interest.
12. Banks should necessarily think of conducting Unit Based Programmes (UBT), in order to save high floatation cost and training administration formalities. It could also economize on fixed expenses in the form of developing training edifice, infrastructure and related facilities.
13. Instead of concentrating only on sponsored programmes by external training institutes, banks should focus on In – Company programmes where in the training needs of the bank can be properly identified and specialized training programmes, in the areas of requirement of the specific bank are conducted for the employees in the premises of their training institutes.
14. Instead of wasting unnecessarily most of the valuable time on inauguration and valedictory of training programmes, sessions should be planned with intensive brainstorming activities in the beginning to understand the pre training status of the trainees personally and could be wound up by taking a feedback by the trainees about the benefits derived by them after undergoing training.
15. Management of the banks should recruit more qualified and talented staff in the STCs so that the faculty are not overloaded with administrative and clerical duties and would allow them to do justice to the training programme.
16. It is advisable to appoint the faculties in the staff training colleges of the bank on a permanent basis so as to avail off their professional expertise fully. Appointing the trainers for a temporary period affects the quality of training as they do not show much commitment and interest.
17. STC should have an excellent edifice with wide class rooms, library, computer lab, conference room, meeting hall and relaxation hall in it. Having an independent structure with an ambience created for learning is recommended for a training college rather than locating the training college in a congested busy area.
18. Apart from suitable physical environment, trainer while designing the training programmes has to keep in mind the motivational levels of the participants apart from the needs and objectives of the organization. The learning actually takes place only when the trainee finds himself in a convenient learning environment.
19. In order to put the participants at ease, trainer, more than an instructor, who should hold an informal interaction with the trainees which would help the trainees to feel secure and think that they have a friend, philosopher and a guide at the time of their difficulties.
20. Since the training programmes for bank employees consist of people with different abilities, talents and also a sense of humour, the trainers also need to have

- a good sense of humour and use humour wherever essential.
21. Trainees should be encouraged to experiment with new concepts and ideas learnt during the training period for which the necessary support and appreciation have to be extended by the trainees' superiors.
  22. Trainer must act more like a counsellor than like a teacher for those trainees who have stress at work arising out of role conflict, role ambiguity, high degree of specialization and also poor communication. Thus, trainer himself needs to be trained in the discipline of counselling.
  23. There must be compulsory introduction of workshops and seminars on Yoga, Meditation and Relaxation techniques on a regular basis so as to release the employees from the clutches of stress, depression and interpersonal problems. Exposure in to all these, broadens their mental horizon, increases capacity to work hard, more concentration and ultimately helps in extraordinary performance. Relaxation techniques make the assimilation of training inputs better and faster and even help the employees to be very effective on the job.
  24. More and more visiting faculties should be invited in STCs so as to have a valuable insight in to the different functional areas of the bank. Some of the functional training programmes could even be outsourced to an external party so as to derive the advantage of functional expertise.
  25. Rural branches and rural bankers play an important role of change agents working for the development of the rural society. Various behavioural and management concepts like the HR skills, communication, leadership, co ordination and motivation with reference to rural development should be imparted along with the technical knowledge.
  26. Instead of playing only the number game, in deputing the employees for different training programmes, the training needs should be always chalked out keeping in view to the career planning needs of the employees at the individual level and post training placement at the organizational level.
  27. There has to be effective communication and follow up between the top management, operating functionaries and training system. KBL should first think of establishing a Formal Training Committee so that the training plans and policies are clearly designed. Bank management should empower training department with more powers and responsibilities. The objectives and strategies of the top management should be made known to the HRD division beforehand so that training programmes of the bank are in tune with the achievement of its objectives.
  28. Branch Managers, Operating functionaries and Divisional Heads should co operate in giving suggestions to the training system and should be receptive in receiving advice from the training department.
  29. This is no foolproof evaluation of training system followed either by Corporation Bank or Karnataka Bank Ltd. For the purpose of proper evaluation of training , banks will have to set up an 'Evaluation Unit' which exclusively deals with an analysis of pre and post training performance of the employees. The Evaluation Unit should act as the bridge between the training system and the bank. Learning by the trainees also could be analysed after months of completing the specific training programmes, on their job so as to understand the extent of true learning.
  30. Banking institutions with an experience in conducting training activities should get together to hold training experience sharing sessions which help in cross fertilization of ideas and make the whole process of training rich.
  31. Banks could even think of imparting rural training as well, in villages, so as to get an orientation to the rural atmosphere and also to educate the employees under practical circumstances.
  32. Recovery management training should not be simply theoretical. Bank should work in the direction of increasing the productivity and profitability of the person (debtor), so that the person makes prompt repayment.
  33. Banks have to undergo several risks like operational risks, credit risks, liquidity risks, foreign exchange risks, strategic risks and the like. Even the financial products are more complex and highly risk prone. Banks have to manage the risks by training the people in all the above areas, in the light of handling and minimizing the aforesaid risks.
  34. The banks should have substantial training programmes in the field of International Banking, External Trade and Foreign Currency Borrowings. The banks should outsource it to the external party so that the personnel working in concerned branches are adequately exposed to exploit opportunities and handle threats in the existing and emerging market environment.
  35. The training practices must always have an in – built flexibility and the trainer must be able to include extra items relevant to the programme, if found necessary. This type of flexibility will help in the critical discussion of the topic and better coverage of the area.
  36. There has to be autonomy for training system in the areas of training plans, training programmes and their scheduling, changes to be implemented, training

budget, programme contents and level of training programmes, so that the trainers can have all the initiative and innovative spirit in designing the training programmes.

37. The banks have to have a systematic training budget where in the Travelling Allowance Bill (TA Bill) which includes Travelling expenses + Salary for the training period + Halting expenses + Lodging expenses + Boarding expenses be sanctioned for the staff members. This could be procured from all the zones by HRD division of the bank. Expenditure incurred in sending the staff for external training should also be compiled in the similar manner. Apart from these, the operating expenses of STC, telephone and postal expenses, expenses on infrastructure, stationery supplied to STC through Printing and Stationery Department of the bank should also be accounted. By keeping this amount as the base, the bank could increase the budget, as per the requirement, to meet the ever increasing demand for developing the resources of the bank.

## PROPOSED TRAINING MODEL FOR THE BANKS

The bank management should frame training policies and plans with a view to bringing forth interplay between the business strategies and HRD mechanisms. Training function has to be integrated with other HRD mechanisms so as to reap the benefits of development, growth and attitudinal transformation of the employees. Keeping in mind these aspects, a training model is proposed by the researcher, to make the training system more effective in commercial banks and is shown in Annexure I.

## CONCLUSION

Training is an important sub-system in the banking organizational system, which has its prime objective of the development of employees at all levels, for contributing towards organizational effectiveness. Training should be recognized as a fructuous activity which ultimately leads to the development of the bank. Training should receive the maximum support from top management at the emotional level, in such a way that training system should be involved in solving organizational problems. Top management of the banks should support the innovations and transitions envisaged in the training and development of process. Training cannot be divorced from the practicalities of running of banking business. It should really remain entrenched as a policy so that it is not restricted only to mere statements in the banks, but should be related to those ideas and expectations that the banks aim to materialize by allotting the required resources for training. Constraints should not be deterrent

for not experimenting and taking proactive steps to enhance and improve training. Training has to relate itself to the preparedness of the bank so that the bank could deal with the change and development effectively.

## DIRECTIONS FOR FUTURE RESEARCH

Training in banks is a comprehensive subject which has scores of research topics in it. Motivation and job satisfaction of the trainees of the bank is an interesting area in which the research could be taken up. Research even can be taken up by choosing some of the training programmes like, IT Training, HR Training or Behavioural Training individually and its effectiveness in enhancing the skill and competence of the employees. Cost and benefit analysis of the training in banks is another budding area of diagnosis. Effectiveness of training on the job or in changing the behaviour of the employees in banks is an interesting area of evaluation of study in training in banks. Culture is an important aspect of an organisation and is reflected in the values that the organisation holds. Training being an important mechanism of HRD process, it should play an important role in enhancing the HRD values or OCTAPACE (Openness, Confrontation, Trust, Authenticity, Pro-action, Autonomy, Collaboration, Experimentation) culture. Thus, the topic of study can be "The Role of Training in OCTAPACE Culture". Training needs identification in banks under globalisation and its relevance to the success of training is also a vital area in which the research can be held.

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