

Training and Development in Indian Banks

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Abstract: Organizations and individuals should develop and progress simultaneously for their survival and attainment of mutual goals. Every modern management has to develop the organization through human resources. 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. In this chapter, a discussion regarding the training and development in Indian banks is undertaken.

Keywords: Training and Development, Indian Banks.

I. INTRODUCTION

Organizations and individuals should develop and progress simultaneously for their survival and attainment of mutual goals. Every modern management has to develop the organization through human resources. 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. In this chapter, a discussion regarding the training and development in Indian banks is undertaken

II. TRAINING AND DEVELOPMENT

After an employee is selected, placed and introduced, he or she must be provided with training. Training is an act of increasing the knowledge and skill of an employee for doing a particular job. Training is usually considered as “the organized procedure by which people gain knowledge and/or skill for a definite purpose”. In other words training improve, change, mould the employee’s knowledge, skill, behaviour, aptitude and attitude towards the requirements of the job and organization. Training refers to teaching and learning activities carried on for the primary purpose of helping the members of an organization, to acquire and apply the knowledge, skill, ability and attitude required by a particular job and organization. Training bridge 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 attitude or increasing his or her skill and knowledge”. The need for training and development is determined by the employee’s performance deficiency and are listed as follows: Training and development need – standard performance – actual performance or desired performance. Major purpose of training and development is to remove performance deficiencies, whether current or anticipated inability of an employee to perform at the desired level. Training to improve performance is important to organizations, which are rapidly incorporating new technologies to make the current work force more flexible and adaptable. ‘Training’, ‘Development’ and ‘Education’ are three terms frequently used. On the face of it, there might not appear any difference among them. “In all ‘training’ there is some ‘education’ and in all ‘education’ there is some ‘training’ and the two processes cannot be separated from development”.

Training is a process of learning a sequence of programmed behavior. It is an application of knowledge. It gives people an awareness of the rules and procedures to guide their behaviour. It attempts to improve their performance on the current job or prepare them for an intended job. It covers not only those which bring about growth of the personality, it also helps individuals in the progress towards maturity and actualization of their potential capacities. In organizational terms, it is intended to equip persons for earning promotion and holding greater responsibility. Training a person for a bigger and higher job is development. In this sense, development is not much different from education. Education is the

understanding and intervention of knowledge. It does not provide definite answers, but it rather develops logical and rational mind that can determine relationships among pertinent variables and thereby learning the character and having an understanding of basic principles and develop the capacities for analysis, synthesis and objectivity.

III. DIFFERENCES BETWEEN TRAINING AND DEVELOPMENT

Employee training is different from management development or executive development. While the former refers to training given to employees in the operational, technical and allied areas, the later refers to developing an employee in the areas of principles and techniques of management, administration, organization and allied ones.

IV. TRAINING AND EDUCATION

Training is concerned with increasing the technical skill, knowledge and operating skill in doing a particular job. Hence, mostly employers train their employees for a particular job, the scope of education is broader. It includes acquiring not only technical skill and knowledge, but also behavioural skill and knowledge, general knowledge, social knowledge etc., the purpose of education is to develop individuals. It is concerned with the changing environmental, political and social developments. Education is not only through formal instruction in the educational institutions, but also through training, observation, awareness. Training normally has got a more immediate and specific functional purpose whereas education has long run and general utility. According to Dale Yodet, "Use of the term training and development in today's employment is far more appropriate than training alone since human resource can exert their full potential only when the learning process goes far beyond simple routine".

V. BENEFITS OF TRAINING

The benefits of training listed by M J Tessin are given below. The benefits from training to the organization are [1] Leads to more profitability and / or more positive attitude towards profit orientation [2] Improves the job knowledge and skill at all levels of the organization [3] Improves the morale of the workforce [4] Helps people identify with organizational goals [5] Helps to create a better corporate image [6] Fosters authenticity, openness and trust [7] Improves the relationship between boss and sub-ordinates [8] Aids in organizational development [9] Learns from the trainee [10] Helps to prepare guidelines for the work [11] Aids in understanding and carrying out organizational policies [12] Provides information for future needs in all areas of the organization [13] Organization gets more effective decision making and problem solving ability [14] Aids in development for promotion from within [15] Aids in developing leadership skill, motivation, loyalty, better attitude and other aspects that successful workers and managers usually display [16] Aids in increasing productivity and / or quality of work [17] Helps to keep costs down in many areas, e.g. production, personnel, administration etc., [18] Develops a sense of responsibility to the organization for being competent and knowledgeable [19] Improves labour management relations [20] Reduces outside consulting costs by utilizing competent internal consulting [21] Stimulates preventive management as opposed to put out fire [22] Eliminates sub-optimal behaviour [23] Creates an appropriate climate for growth and communication [24] Aids in improving organizational communication [25] Helps employees to adjust to change and [26] Aids in handling conflicts, thereby helping to prevent stress and tension.

Benefits to the individual which in turn ultimately should benefit the organization are [1] Helps the individual in making better decisions and effective solutions for problem solving [2] Through training and development, motivational variables of recognition, achievement, growth, responsibility and advancement are internalized and operationalized [3] Aids in encouraging and achieving self-development and self-confidence [4] Helps a person handle stress tension, frustration and conflicts [5] Provides information for improving leadership, knowledge, communication skill and attitude [6] Increases job satisfaction and recognition [7] Moves a person towards personal goals while improving interactive skill [8] Satisfies personal needs of the trainer and trainee [9] Provides the trainee an avenue for growth and a say in his / her own future [10] Develops a sense of growth in learning [11] Helps a person to develop speaking and listening skill; also writing skill when exercises are required [12] Helps to eliminate fear in attempting new tasks [13] Benefits in personal and human relations, intra and inter group relations and policy implementation [14] Improves communication between groups and individuals [15] Aids in orientation for new employees and those taking new jobs through transfer or promotions [16] Provides information on equal opportunity and affirmative action [17] Provides information on other Governmental laws and administrative policies [18] Improves interpersonal skills [19] Makes organizational policies, rules and regulations viable [20] Improves morale [21] Builds cohesiveness in groups [22] Provides a good climate for learning, growth and coordination and [23] Makes the organization a better place to work and live.

VI. 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] 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 hardcore 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 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 reveal that, in quantitative terms, they have a very impressive record.

When the net impact of these massive effort and huge investments made have failed to make desired impact on individuals, the 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 absence of post training follow-up etc., are to a very great extent, responsible for sub-optimal results achieved by training.

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 [1999] 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 are seriously lacking". This is largely because of inadequacies in skill both in traditional area of bank operations as well as the new area 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 skill and are almost out of the markets.

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, skill and attitude 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 work in these fields. Such a block at the higher levels would inevitably defeat the purpose of training at the lower levels. Indeed, officers who undergo such training have, as a result, developed new skill and attitude 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.

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 centres.

From mid-1969 onwards, relatively highly educated persons, most of them with postgraduate degree in Commerce, Arts and Sciences entered banks at clerical and junior officer levels, thus changing the profile of the Indian bank employees. Although they were highly qualified, to keep their skill, knowledge and attitude in line with the requirements of the industry, re-orientation 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 Banking, 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 date.

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 indicate 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 Principal's 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., and are still persisting".

The constraints identified by the Principal's in 1989 and 1998 are not necessarily specific to the Indian banking industry alone. 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. Some of the major demands being raised on the training system are categorized as [1] Change management - the pressure on the training system to continuously upgrade and change to meet the changing environment [2] Decision making in a fast changing environment, frequently with only incomplete / vague information available [3] Information management i.e., to handle and analyze information is one of the challenges to be addressed [4] Phenomenal product diversification in banking industry and the emergence of demand, call for grooming of specialists in different disciplines of banking [5] The new attitudinal orientation needed for the workers due to the unavoidable customer orientation [6] The need to develop a culture of team effectiveness instead of individual excellence [7] The need to develop a system perspective than doing one's own assigned job in isolation. Bhatawadekar M V argues that the following are the major problems faced by the bank training system in the country. [1] Training institutions are rarely provided with adequate manpower and equipment [2] The training institutions do not have effective control over the numbers to be trained or the candidates to be selected [3] A rigorous evaluation of the trainees after the completion of a program is not possible [4] There are no means to ensure that the trained officials are posted in positions where they can use the skill they learnt during the training programs [5] When such opportunities exist, often facilities and environment required for practicing the skills learned are not available and [6] The output of bankers is considered non-measurable and quantitative measurement of the job performance is not undertaken.

VII. EMERGING SCENARIOS IN INDIAN BANKS

The banking system in India is currently poised with far reaching changes. The emerging business profile of banks would include non-traditional areas like merchant banking, mutual funds, newer financial services, personal investment counselling, factoring, venture capital and possibly consultancy and research services. Besides this, to be on the top, banks will have to continuously innovate to find new areas of operations. If Indian banks will have to launch new activities, they will necessarily have to be innovative. The immediate and the possible distant changes in the environment will make Indian banking more complex as the profile of these banks will undergo major transformations. While they

continue to engage themselves in conventional banking, they will also enter areas of modern business ventures. These changes will call for new knowledge, skill and attitude and training systems will have to stand up to these challenges. No Indian bank can survive without being up to date with the latest developments. Indications to this effect are visible. If the banks go in for enhanced microelectronic assistance for its multifarious operations, it will definitely call for changes in approaches to training.

It is a fact that most significant effect of diversification and technological revolution are in the sphere of skill. With new line of business, product diversification and wide spread technology adoptions, the type of personnel required in handling jobs under most complex and competitive conditions will require skill, which are different from those required for traditional type of business. To be competitive, managers will have to match international quality and performance standards. The impact of technology on HR in banking and insurance companies are tremendous. In a study, the group of researchers compared the old and new competencies needed to survive in the changed atmosphere. Table 10 summarizes the information.

The new competencies to operate in the ever-changing environment and the capacity to deal with non-routine work process can only effectively respond to the process of deregulation and globalization of banking. Similarly, ability to handle responsibilities and to operate in the expanding geographical and time horizons is the hallmark of emerging competencies. In addition, the changing social values with which the new generation of employees have been brought up gave them different value orientations. A study on the work goals of the bank employees clearly indicates that, besides good pay and security, ranked as number one and two respectively, other aspects like opportunity to learn, opportunity to upgrade knowledge, interesting work, match between ability and work also received fairly a high level in ranking work goals [Table 11]. 90% of the respondents in this study were below 40 years of age. This indicates that the value orientation of the bank employees is also changing.

All these changes will necessitate the training system in banks to re-orient its approaches and priorities so that training activities will become an essential part of a strategic human resource management in banks. If this linkage is not properly established, training activities will further degenerate into mere routine rituals.

The training system in the banking industry has a strong structural base and has capabilities to handle training in large numbers. The training system of the nationalized banks alone has the capacity to train about 30,000 employees at a time. The system has also developed several innovative activities in the training area such as on-location training, manager to messenger program etc., only when training becomes vibrant, the organization will be able to meet the challenges emerging from the changing environment. Specially, the role of the bank training colleges has to be substantially redefined. The colleges have to move away from the usual 'headcount'- oriented training activities to competency building processes. This would get the training colleges to get actively involved in the whole of training process starting from identification of training needs to evaluation of training effectiveness and its benefits to the end users - the internal and external customers. This linkage would make training interventions meaningful to bank organizations. Training is an essential ingredient to improve the quality of officers and managers. Training prepares employees at different levels to acquire new competencies in critical areas like computers, merchant banking, international banking, treasury management, asset liability management, financial services etc., and to operate effectively in ever changing environment.

Individual banks are required to undertake review of the existing training system as a whole in the context of newly emerging training needs and examine of courses, existing infrastructure, faculty development, training materials and relevancy of teaching methodologies etc., in the present scenario, banks have to develop a comprehensive training policy and demonstrate their commitment for training. Both systems for alternative methodology for classroom training and on-the-job training have to be strengthened. Time bound framework for developing a pool of competent and trained officers in the areas of credit, merchant banking, international banking, foreign exchange dealings and financial services etc., should be created.

VIII. RECENT DEVELOPMENT IN TRAINING ARENA

Enhancing training system is very important to keep with changing pace and existing levels of activities and to keep pace with technology upgradation. The training system should be able to take care of both quantitative and qualitative aspects of training. Certain major changes required in this regard are [1] For the purpose of de-centralizing routine skill training activities, training system has to ensure that software on different skill training is developed, sufficient facilities are provided [2] Identify the best trainer talents in advanced area and provide them with sufficient incentives, encourage them

to develop other specialists, also draw their attention to research and in-house consulting and [3] Effective linkage between training need assessment and performance appraisal system to be established.

The Narasimham Committee on financial reforms has also enumerated a number of problems related to Human Resource Management [HRM] in banking such as over manning, lower manpower productivity, indiscipline, restrictive practices, lack of management commitment to training etc., The committee has recommended radical changes in work technology and work culture as well as adoption of forward looking personnel policies, which are seen to be objective and consistent with a satisfying work environment. Changes are happening regarding the understanding about how workplace learning happens. A recent study shows that managers and workers most effectively learn the competencies when the training program in which they participate observe the following fundamental principles of workplace learning [1] Link learning to what is valuable, not only for the organization but also for the individual [2] Connect action and reflection in a continuous cycle, people learn by doing and thinking about what they have done. [3] Address learner's attitude, belief and behaviour, addressing only behaviour is likely to be narrow and ineffective. [4] Provide a balance of challenge and support. Workers who make mistakes without being harmed are better able to stretch and learn [5] Create opportunities to teach as well as learn. The best learning happens when workers both discover new knowledge and share their own expertise with others and [6] Design and cultivate learning communities, not just course materials, books and e-learning programs. These aspects deserve attention while designing the bank training system in the country.

What are the areas in which training should be provided? The soft skill training topped respondent's list of priorities. Included were the sub-group's leadership, management and supervisory skill training, with interpersonal skill, teamwork, customer service, diversity.

The survey results were of no exception. In fact, soft skill training ranked second on the list, with 18.63 % learning professionals ranking the broad category as one of their main priorities for the coming year. The following types are included in the soft skill [1] Customer service training [2] Diversity training [3] Interpersonal skill [4] Leadership development [5] Management development [6] Teamwork

IX. APEX BANK TRAINING INSTITUTES IN INDIA

Reserve Bank of India [RBI] has six training establishments. Three of them namely, [1] College of Agricultural Banking [CAB], [2] Bankers Training College [BTC] and [3] Reserve Bank of India Staff College [RBSC] are part of the Reserve Bank. Others are autonomous, such as, [4] National Institute for Bank Management [NIBM], [5] Indira Gandhi Institute for Development Research [IGIDR], [6] Institute for Development and Research in Banking Technology [IDRBT]. These are not the only major bank training institutions in the country, other institutions are [7] The North Eastern Institute of Bank Management [NIEBM], [8] Indian Institute of Bankers [IIB] and [9] The training institutions of SBI.

A. College of Agricultural Banking [CAB]

The College of Agricultural Banking was originally set up to impart training in agriculture and rural banking. The college has diversified into other areas such as the non-banking financial sector, human resource management and information technology. In the near future, the college proposes to consolidate those activities. Nowadays the college is extending faculty support to the workshops conducted by the reserve bank of India and off-site programs for state level financial institutions.

B. Bankers Training College [BTC]

Reserve Bank of India established Bankers Training college in 1954. It was the first conscious effort ever made by an Indian institution towards systematic training of bank personnel. The college was set-up broadly on the basis of training establishments of Bank of England and Central Banks of a few commonwealth countries. The college has been endeavoring to impart qualitative professional training for the functionaries of Indian commercial and development banks, foreign banks in India, Reserve Bank of India and certain cadres of Government of India. The College also receives participants from some of the countries in Asia and Africa. Besides, the college facilitates formulation/ implementation of banking policies by acting as a forum for interaction among the top officials of RBI and commercial banks/ financial institutions.

The training programs in BTC are constantly reviewed and updated in consultation with the user-system to make them need-based, practical and operation oriented. The programs of the college are broadly classified into: Credit delivery, forex markets, foreign exchange, international banking, financial engineering, general banking, specialized areas and

specific functional groups. The BTC also holds seminars, symposia, conferences and workshops on subjects of topical importance with the objective of evolving suitable policy initiatives for meeting the challenges in the deregulated environment. Some of the programs like treasury management, asset-liability and credit management have developed into high premium programs and have been attracting overseas participants. The training methodology adopted by the college is a judicious mix of instructional and group process of learning. Several programs are enriched by using market-related stimulation games, case studies, project assignments. BTC faculty consists of experienced officers of RBI who have diversified academic qualifications and practical experience in different departments.

C. Reserve Bank of India Staff College [RBSC]

The Reserve Bank of India Staff College caters primarily to the training and development needs of officers of the RBI. The college is expected to play a crucial role in upgrading the skill of the officers to face the challenges of new tasks and introduction of new technologies. This has assumed an added significance in the context of the large retirements under the Optional Early Retirement Scheme [OERS]. The thrust of the RBSC would continue to be on probationers and mid-level management officers.

D. National Institute for Bank Management [NIBM]

The NIBM was established in early 1969 as a part of the banking policy. It enunciated in social control to serve as an apex institute of the banking system, to initiate and co-ordinate all matters connected with training of bank personnel and relevant research and consultancy in bank management problems. Later on, with the nationalization of 14 commercial banks in 1969, the institute devoted itself in ushering a new era in the development of banking and it became the 'Think tank' for the banking industry and leads the industry's move towards professionalism. The NIBM has since then focused on management issues and acted as a change agent in many areas of banking. One of these was the human resource management. Personnel management was not given the required importance in banks. Formal training was almost absent. Recruitment, transfers and placements were perceived to be the management's prerogative.

The institute has broadly four functions which are [1] Training of the higher level personnel in management and functional areas [2] Research into problems of concern to the banking industry [3] Consultancy to individual banks to translate policies and findings into suitable programs [4] Education at post-graduate level to assure a steady supply of high caliber personnel to the banking industry. The institute has different roles to fulfil viz., [1] Continuously upgrade the knowledge and skill of the top management [2] To be the storehouse of data and information of all new and emerging issues in the banking sector [3] To help banks to secure their financial position and make them world-class and [4] To be a change agent by ushering in professionalism. Conveniently divided into three areas: research, training and consultancy, the activities of the NIBM are integrated in nature. Research and consultancy complement each other and their outputs form a very important segment of the training inputs. Research activities in the NIBM have a wide range in terms of topics, scope, approach and methodology. The NIBM's training programs are customized to the needs of the users. The institute has been bringing out a variety of publications in the form of books, journals, reports and working papers in tandem with its research and training functions.

E. Indira Gandhi Institute for Development Research [IGIDR]

The Indira Gandhi Institute of Development Research (IGIDR) is an advanced research institute established by the Reserve Bank of India for carrying out research on development issues from a multi-disciplinary points of view. The aim and objective of the institute is to promote and conduct research on development (in its economic, technological, social, political and ecological aspects) from a broad inter-disciplinary perspective; to gain insights into the process of development and alternative policy options and to disseminate the knowledge so gained.

F. Institute for Development and Research in Banking Technology [IDRBT]

The IDRBT was established by the Reserve Bank of India in 1996 at Hyderabad. It is an autonomous centre for development and research in banking technology and was set up on the basis of Saraf Committee recommendations on technology related issues. The Governor of RBI is its ex-officio chairperson. The objectives of the institute is to provide training, research and consultancy/advisory services in the area of information technology to banks and other financial institutions. It is actively engaged in research and development in banking technology and is working on a number of research projects in the area of electronic payment system, security standards, certification, data warehousing, multimedia products etc., it is also catering to the training needs of business executives and IT professionals in banking and financial sectors. Its main focus is on training the trainers, executive programs and special programs for international participants,

seminars and workshops on current advances in IT etc., It also collaborates with major IT companies and academic institutions to encourage active co-operation with them by facilitating research, development work on hardware / software products. The institute is also undertaking research and consultancy related assignments and projects in banking and financial sectors. The faculty of the institute comprises technical experts from both technology and banking. The interaction between these two core groups provides a good combination for meaningful research and purposeful development of products and services for the advancement of banking and technology. The institute is also publishing a newsletter on banking technology. Within a short span of time, the institute was able to draw up the technology roadmap for the Indian banking and financial sector and spearheaded technology absorption in almost every sphere of activity in banks and financial institutions.

The activities of IDRBT are backed by intensive research in the focal areas of financial network architecture, security policy, security systems, payment and settlement systems, data warehousing, multimedia, etc., specialized labs equipped with the latest technology are in place to aid the research and development teams. IDRBT is also the certifying authority for the Indian banking and financial sector under the IT Act 2000. The institute is actively involved in the development of various standards and systems for banking technology, in coordination with the Reserve Bank of India, Indian Banks Association, Ministry of Communication and Information Technology, Government of India and the various high-level committees constituted at the industry at national levels.

G. The North Eastern Institute of Bank Management [NEIBM]

This institute was established in 1983 and is sponsored by RBI, NABARD and Public Sector Banks like SBI, United Bank of India, Allahabad Bank and Central Bank of India, Indian Bank and IDBI. The institute is set up to assist the development of banking and financial institutions in the north-eastern region. It looks after the training and development activities of the banking institutions in the region. It also undertakes research studies and surveys relevant to banking and provides consultancy services.

H. Indian Institute of Bankers [IIB]

The Indian Institute of Bankers was established on 30th April 1928. It is licensed under the provisions of section 26 of the Indian Companies Act, 1913. The different classes of members are Fellow, Associate, Certified Associate [CAIIB], ordinary member and institutional member. It conducts different professional examinations for its members and encourages the study of different aspects of banking. The objectives behind the setting up of the Indian Institute of Bankers are many including [1] To encourage the study of theory of banking and to institute a scheme of examination and to give certificates, scholarship and prizes [2] To promote information sharing on banking [3] To sustain the competency developed by way of collecting and circulating statistics and other information consisting of works on banking, commerce, finance, political economy [4] To facilitate research in banking and course innovation through award of fellowship/ scholarship [5] To collaborate and co-ordinate with banks own training establishments to ensure healthy correlation between banking education and training [6] To provide means of social intercourse between persons engaged in or connected with the business of banking in India. The institute has opened eight zonal offices and around 250 sub-centres in different parts of the country to provide prompt and better services to its members.

I. The training institutions of SBI

State Bank of India, the largest Public Sector Bank in the country which has got several personnel training establishments. They include [1] State Bank Staff College, Hyderabad, which focuses on functional training [2] State Bank Academy, which was set up in 1982 and situated in Gurgaon which specializes in training of middle and senior management personnel [3] State Bank Institute for Information and Communication Management, Hyderabad, started in 1987 which is catering to technology planning and execution and [4] State Bank Institute for Rural Development, Hyderabad which was formed in 1981 with the purpose of training personnel in agriculture and allied activities. The State Bank Staff College at Hyderabad was certified by the Lloyd's Register Quality Assurance regarding the quality management system standards. The quality management system is applicable to the identification of training needs, identification of inputs, conducting training programs, evaluation of training programs, feedback processing, research and publications, selection of faculty, training of faculty and maintenance of infrastructure. Training in the State Bank is a pro-active, planned and continuous process as an integral part of organization development. It seeks to impart knowledge, improve skill and re-orient attitude for individual growth and organizational effectiveness.

For selecting, the most suitable faculty talent scouting is done for in-house subject specialists. Selected faculty members are put through structured faculty development training to give further needed skill and attitude. In-house and external training is given for advanced specialization in the relative subjects. Usually the selected faculty are senior bankers with varied and rich experience and State Bank faculty are guest speakers at other reputed institutions.

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