

Training and Development of Managers – A Comparative Study of SBI and ICICI Bank

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Abstract:

In today's competitive world, no employers can afford to carry staffs that are not efficient. Yet, many organizations still appear reluctant to invest in training the members to be efficient ones. The primary interest in a study about the future is in looking for a group of characteristics shared by the better banks that might serve to predict the future success for others. That common trait is an emphasis on training. Ongoing development is today's new form of job security. People need to learn continuously. By developing, stretching and continually challenging themselves, employees can build a skill base; reputation and a network of contacts which will make them fit to be always 'employ Able'. It was suggested to the training authorities of the selected banks consider the experience pattern, Number of training opportunities availed, time lag between the two training opportunities etc., in prior to selection of executives for training programs. The study found that there is a difference between the opinions of the respondents in objectives for attending the training and development programs are acquired new skills, improving problem solving skills. So the concerned authorities are required to identify the causes and make a necessary action for erective functioning of training and development program in banks. It is suggested to the training departments of Banks to understand the reasons for arousing the differences in training centers, in terms of training components like infrastructure facilities, course duration, library facilities, training methodology and training materials etc.

Key words: Training, Development, Administration, Banking industry, Employer, Employee etc.

Introduction:

Generally HRM refers to the management of people in organizations. It comprises of the activities, policies, and practices involved in obtaining, developing, utilizing, evaluating, maintaining, and retaining the appropriate number and skill mix of employees to accomplish the organization's objectives. The goal of HRM is to maximize employees' contributions in order to achieve optimal productivity and effectiveness, while simultaneously attaining individual objectives (such as having a challenging job and obtaining recognition), and societal objectives (such as legal compliance and demonstrating social responsibility). The scope of HRM is indeed vast. All major activities in the working life of a worker – from the time of his or her entry into an organization until he or she leaves the organizations comes under the purview of HRM. The major HRM activities include HR planning, job analysis, job design, employee hiring, employee and executive remuneration, employee motivation, employee maintenance, industrial relations and prospects of HRM.

Indian banking is the lifeline of the nation and its people. Banking has helped in developing the vital sectors of the economy and usher in a new dawn of progress on the Indian horizon. The sector has translated the hopes and aspirations of millions of people into reality. But to do so, it has had to control miles and miles of difficult terrain, suffer the indignities of foreign rule and the pangs of partition. Today, Indian banks can confidently compete with modern banks of the world. Before the 20th century, usury, or lending money at a high rate of interest, was widely prevalent in rural India. Entry of Joint stock banks and development of Cooperative movement have taken over a good deal of business from the hands of the Indian money lender, who although still exist, have lost his menacing teeth.

The industry is currently in a transition phase. On the one hand, the PSBs, which are the mainstay of the Indian Banking systems, are in the process of shedding their flab in terms of excessive manpower, excessive non Performing Assets (Npa's) and excessive governmental equity, while on the other hand the private sector banks are consolidating themselves through mergers and acquisitions. PSBs, which currently account for more than 78 percent of total banking industry assets are saddled with NPAs (a mind-boggling Rs 830 billion in 2000), falling revenues from traditional sources, lack of modern technology and a massive workforce while the new private sector banks are forging ahead and rewriting the traditional banking business model by way of their sheer innovation and service. The PSBs are of course currently working out challenging strategies even as 20 percent of their massive employee strength has dwindled in the wake of the successful Voluntary Retirement Schemes (VRS) schemes.

Literary reviews:

A **literature review** is a text of a scholarly paper, which includes the current knowledge including substantive findings, as well as theoretical and methodological contributions to a particular topic. Literature reviews are secondary sources, and do not report new or original experimental work. Most often associated with academic-oriented literature, such reviews are found in academic journals, and are not to be confused with book reviews that may also appear in the same publication. Literature reviews are a basis for research in nearly every academic field.

Nadler (1979) made a distinction between human resource utilization and human resource development. He state that human resource utilization covers traditional functions of personnel administrations, whereas human resource development includes mainly training, education and development. He further identifies three main roles for the human resource development managers with some sub roles.

Rao (1982) studied and assessed 45 organizations' HRD practices and observed that:

1. Performance appraisal system is for regulatory purpose mostly and less for HRD development;
2. Salary increment used as a reward mechanism,
3. Potential appraisal system is not well practiced, and
4. Training is well attended by employees.

Annandale-Massa and Bertrand, 1990; Piesse, 1991: In response to a progressive saturation of the traditional markets, an important diversification in the offering of services and products has appeared; intensive competition, particularly linked with the exclusion of intermediaries which occurred around the mid-1980s, has progressively affected services to the general public. The 'liberalization' of financial markets, almost concomitant with these evolutions, has increased these trends, which have given a whole new insight into the environment of banking firms. These new conditions have already had very precise effects on human resources in banks (Hendry, 1987; Bertrand and Noyelle, 1988; Hiltrop, 1992).

Arahanasi U.H (1992) in his M.Phil Dissertation "**A Critical Evaluation Of Performance Appraisal In Selected Industrial Organization**" stated that favorable attitude of the employees towards the appraisal system should be created, the performance appraisal (P.A.) system should be treated as 'problem solving' system, every promotion should be made purely on performance basis, organization must bring the participative approach of employees in the P.A. system, training to appraiser and appraise should be given about the P.A. system, proper feedback system need to be installed for the employees, and good performance should be linked with special increment, promotion and rewards.

Gupta K.C. & Singh Tej (2005-06) in the article captioned as "Effectiveness of Training in the Banking sector: A Case Study" have divided the study into four variables i.e. induction

training, need-based training, planned training and utilization, with the objective to explore empirically the extent of their effectiveness, in PNB and SCB. The study also aimed at a) comparison of Indian and Foreign banks in terms of training effectiveness and b) to find out whether there is any relationship between the various dimensions of HRD and training effectiveness in PNB and SCB. On the basis of analysis and result, the authors have inferred that the training aspect of HRD in both the banks does not differ significantly. However, the two dimensions of training effective's viz need-based training and planned training are found different in PNB & SCB. The authors observe that the performance of SCB is better than that of PNB in regard to need based training and planned training. Authors on the basis of correlation analysis reveal that there is a positive correction between HRD climate and training effectiveness, training effectiveness and performance appraisal and training effectiveness & counselling attitude of managers in both the banks.

Reddy A. Jagan Mohan (2006) in "HRD : Origin, Concept and Future" has dealt with origin, concept of HRD, emerging challenges and the right steps to be taken so that employees can contribute their best for achieving organizational as well as individual goals. He concludes that change is here to stay and we need to understand that all the practices that are working today may not necessarily work tomorrow. Customer's expectations, market changes and strategic decisions will drive the management of human assets.

Objectives of the study:

1. To evaluate the training needs identification methods practiced by the State Bank of India and ICICI Bank.
2. To ascertain and compare the training areas and the adequacy of the training infrastructural facilities in the State Bank of India and ICICI Bank.
3. To evaluate and compare the adequacy of training and the training practices followed in the State Bank of India and ICICI Bank with special reference to the opinion of the selected Managers responses.
4. To elicit the views of respondents employers and Training and Development Programmes of selected Banks (SBI and ICICI Bank Managers.)
5. To analyse the views of managers and various issues related to implementation of Training and Development of selected Banks.

Hypothesis

1. State Bank of India and ICICI Bank differ significantly as per as the training, policy, philosophy and objectives are concerned.
2. State Bank of India and ICICI Bank has significantly different views as far the training needs identification methods are concerned Managers.
3. State Bank of India and ICICI Bank has significant difference in relation to the training areas and as far as the availability of training infrastructural facilities are concerned.
4. State Bank of India and ICICI Bank vary significantly regarding training evaluation practices and Managers attitude to training.
5. State Bank of India and ICICI Bank disagree significantly regarding adequacy of training and in the area of training practices.

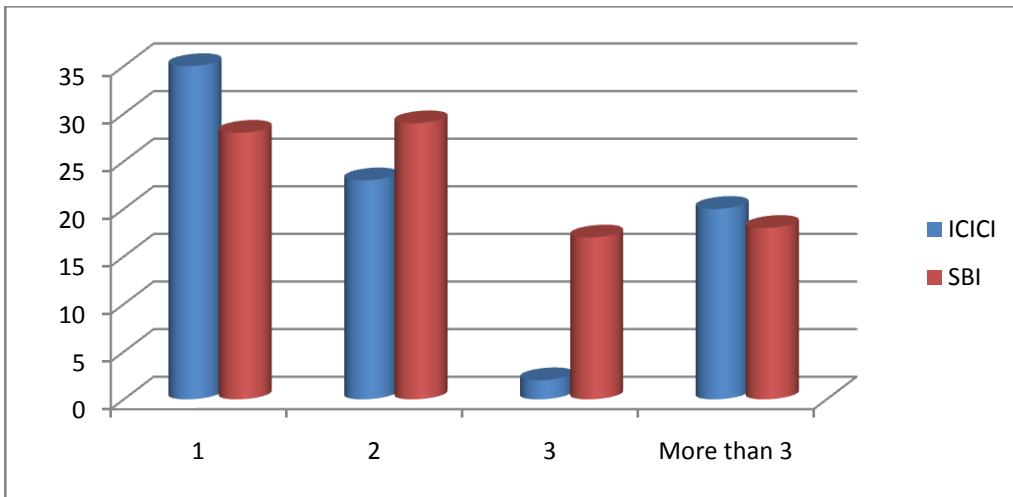
Data Analysis:

Table 1: No of training programs attended

	1	2	3	More than 3	Total
ICICI	35 43.8%	23 28.8%	2 2.5%	20 25.0%	80 100.0%
SBI	28 30.4%	29 31.5%	17 18.5%	18 19.6%	92 100.0%
	63 36.6%	52 30.2%	19 11.0%	38 22.1%	172 100.0%

Explanation:

From the table it can be observed that in SBI 31.5% attended 2 training programs, 30.4% attended 1 program, 19.6% attended more than 3 and 18.5% attended 3 programs. In ICICI 43.8% attended 1 program, 28.8% attended 2 programs, 25% attended more than 3 programs and 2.5% attended 3 programs.



Graphical Presentation for the Attended Training Programme

Table:- 2 Chi - square test between ORGANIZATION and the NEED of Training.

	ICICI	SBI	Total
To Acquire new skills	17 21.3%	12 13.0%	29 16.9%
To Avoid the problems of poor administration	26 32.5%	26 28.3%	52 30.2%
To improve the speed and accuracy in work	6 7.5%	7 7.6%	13 7.6%
To avoid delay in updating records	21 26.3%	39 42.4%	60 34.9%
Others	10 12.5%	8 8.7%	18 10.5%
	80 100.0%	92 100.0%	172 100.0%

Explanation:

From the table it can be observed that in SBI 42.4% agreed with the argument “To avoid delay in updating records”, 28.3% are with the argument “To Avoid the problems of poor administration”, 13% are with the argument “To acquire new skills”, 8.7% has other views and 7.6% are with the argument “To improve the speed and accuracy in work”. In ICICI 32.5% are with the argument “To Avoid the problems of poor administration”, 26.3% are with the argument “To avoid delay in updating records”, 21.3% are with “To acquire new skills”, 12.5% are with other views and 7.5% are with “To improve the speed and accuracy in work”.

A Chi square test has been conducted between the variables organization and need of training and the results are tabulated below.

Chi – Square Test

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.752 ^a	4	.218

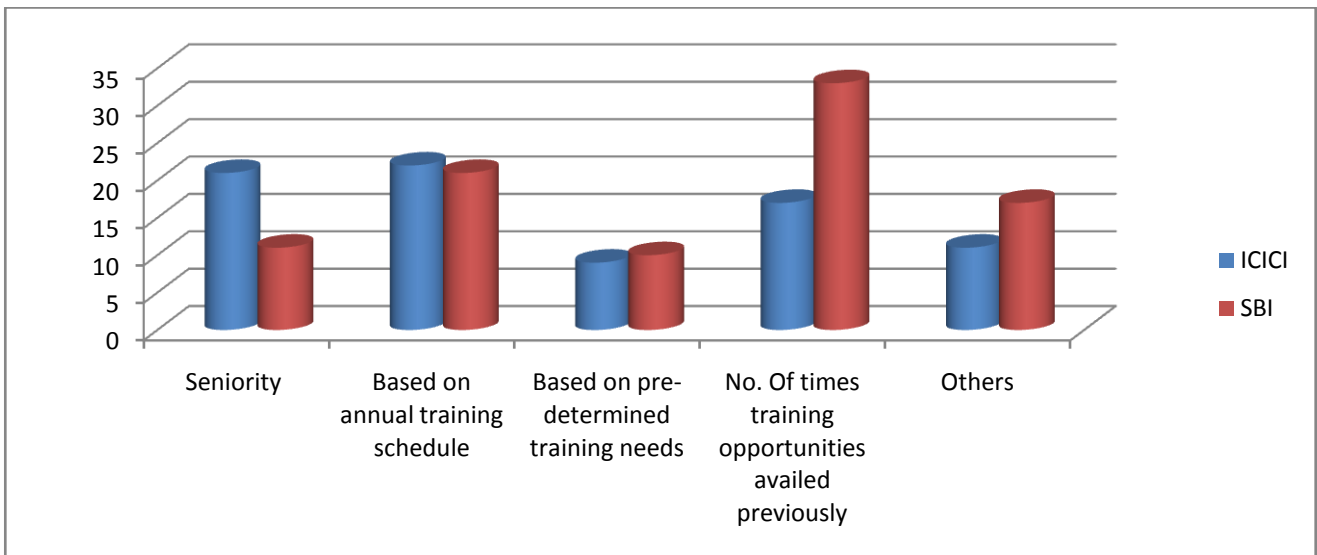
The calculated Chi square value is 5.752. The table value at 4 degrees of freedom at 5% level of significance is 9.488. Since the calculated value is less than the table value at 5% level of significance it can be concluded that there is no significant difference in the need of training between the two organizations (ICICI and SBI).

Table 3:-Chi-square test between ORGANIZATION and the METHOD followed for selection

	ICICI	SBI	Total
Seniority	21 26.3%	11 12.0%	32 18.6%
Based on annual training schedule	22 27.5%	21 22.8%	43 25.0%
Based on pre-determined training needs	9 11.3%	10 10.9%	19 11.0%
No. Of times training opportunities availed previously	17 21.3%	33 35.9%	50 29.1%
Others	11 13.8%	17 18.5%	28 16.3%
Total	80 100.0%	92 100.0%	172 100.0%

EXPLANATION:

From the table it can be observed that in SBI 35.9% are with the argument “No. of times training opportunities availed previously”, 22.8% are with “Based on annual training schedule”, 18.5% are with other views, 12% are with “Seniority”, 10.9% are with “Based on pre-determined training needs”. In ICICI 27.5% are with “Based on annual training schedule”, 26.3% are with “Seniority”, 21.3% are with “No. of times training opportunities availed previously”, 13.8% are with other views and 11.3% are with “Based on pre-determined training needs”.



A chi square test has been conducted between the variables organization and methods followed for selection of training and the results are tabulated below.

Chi-Square Tests

	Value	df	Sig.
Pearson Chi-Square	8.812 ^a	4	.066

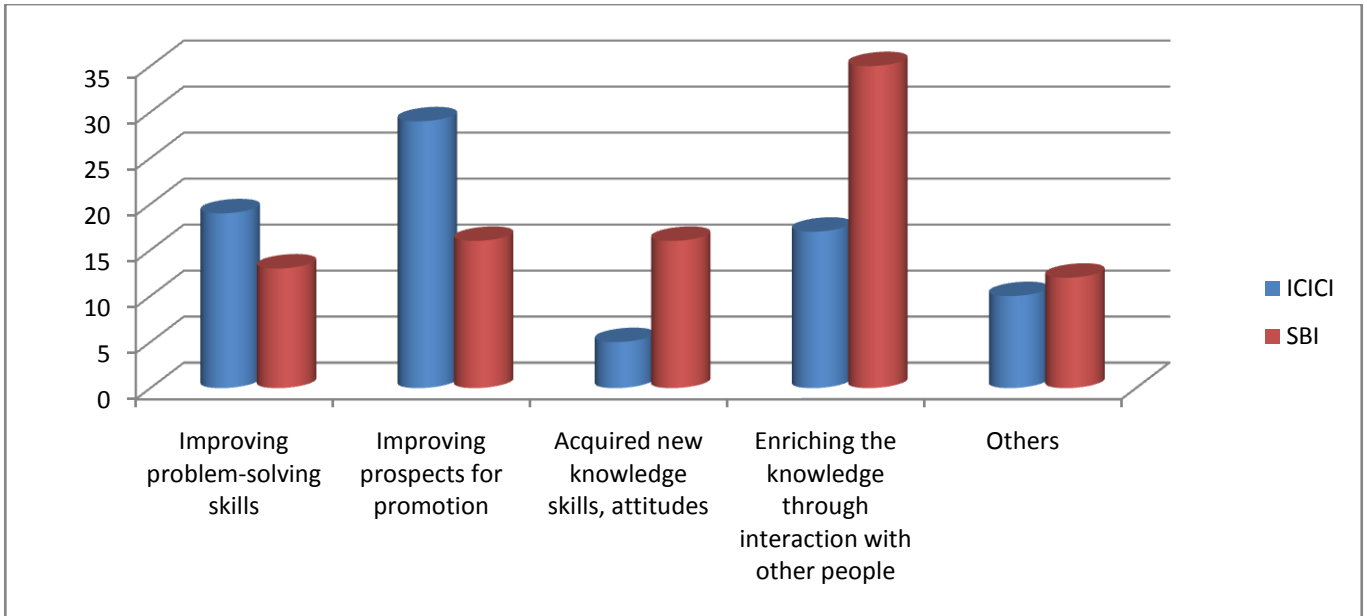
The calculated Chi square value is 8.812. The table value at 4 degrees of freedom at 5% level of significance is 9.488. Since the calculated value is less than the table value at 5% level of significance it can be concluded that there is no significant difference in the method of selection for training between the two organizations (ICICI and SBI).

Table 4:-Chi square between Organization and Objective of Training and development

	Org.name		Total
	ICICI	SBI	
Improving problem-solving skills	19 23.8%	13 14.1%	32 18.6%
Improving prospects for promotion	29 36.3%	16 17.4%	45 26.2%
Acquired new knowledge skills, attitudes	5 6.3%	16 17.4%	21 12.2%
Enriching the knowledge through interaction with other people	17 21.3%	35 38.0%	52 30.2%
Others	10 12.5%	12 13.0%	22 12.8%
Total	80 100.0%	92 100.0%	172 100.0%

Explanation:

From the table it can be observed that In SBI 38% agree with the argument “Enriching the knowledge through interaction with other people”, 17.4% are with “Improving prospects for promotion”, 17.4% are with “Acquired new knowledge skills, attitudes”, 14.1% are with “Improving problem-solving skills” and 13% are with other views. In ICICI 36.3% agrees with the argument “Improving prospects for promotion” 23.8% are with “Improving problem-solving skills”, 21.3% are with “Enriching the knowledge through interaction with other people”, 12.5% are with other views and 6.3% are with “Acquired new knowledge skills, attitudes”.



A chi square test has been conducted between the variables organization and objectives of training and the results are tabulated below.

Chi-Square Tests

	Value	df	Sig
Pearson Chi-Square	16.297 ^a	4	.003

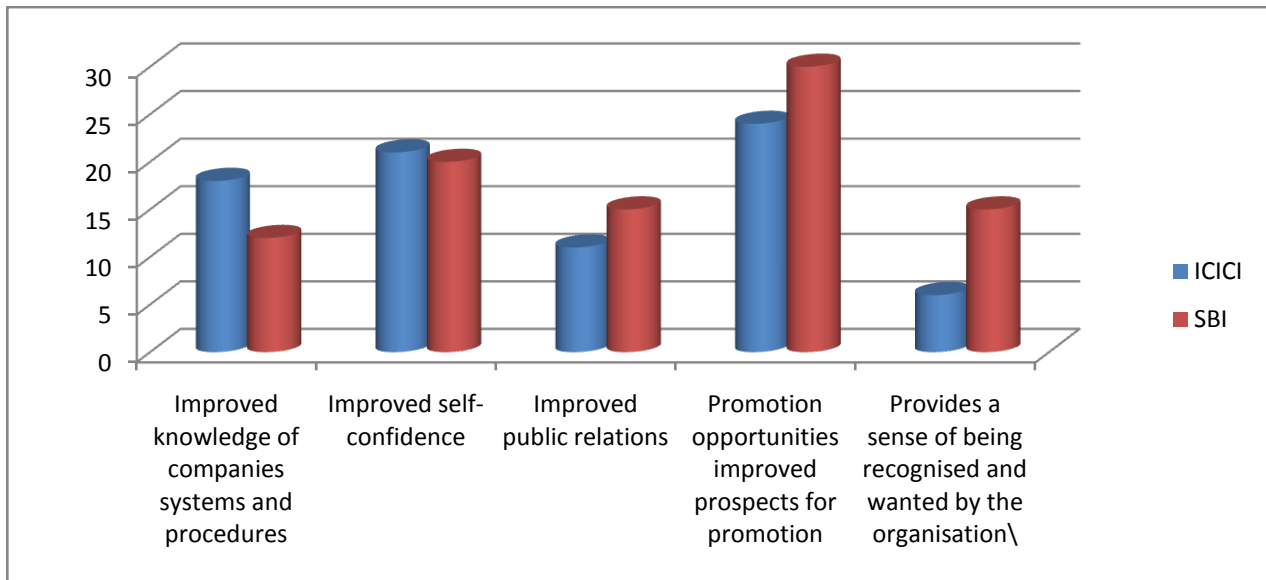
The calculated Chi square value is 16.297. The table value at 4 degrees of freedom at 5% level of significance is 9.488. Since the calculated value is greater than the table value at 5% level of significance it can be concluded that there is significant difference between the objectives of training and development between the two organizations (ICICI and SBI).

Table 5:-Chi square test between organization and the benefits derived from training

	ICICI	SBI	Total
Improved knowledge of companies systems and procedures	18 22.5%	12 13.0%	30 17.4%
Improved self-confidence	21 26.3%	20 21.7%	41 23.8%
Improved public relations	11 13.8%	15 16.3%	26 15.1%
Promotion opportunities improved prospects for promotion	24 30.0%	30 32.6%	54 31.4%
Provides a sense of being recognized and wanted by the organization	6 7.5%	15 16.3%	21 12.2%
Total	80 100.0%	92 100.0%	172 100.0%

Explanation:

From the table it can be observed that in SBI 32.6% are with argument “Promotion opportunities improved prospects for promotion”, 21.7% “Improved self-confidence”, 16.3% are with “Improved public relations”, 16.3% are with “Provides a sense of being recognised and wanted by the organization” and 13% are with “Improved knowledge of companies systems and procedures”. In ICICI 30% are with “Promotion opportunities improved prospects for promotion”, 26.3% are with “Improved self-confidence”, 22.5% are with “Improved knowledge of companies systems and procedures”, 13.8% are with “Improved public relations” and 7.5% are with “Provides a sense of being recognised and wanted by the organization”



A chi square test has been conducted between the variables organization and benefits derived from training and the results are tabulated below.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.553 ^a	4	.235

The calculated Chi square value is 5.553. The table value at 4 degrees of freedom at 5% level of significance is 9.488. Since the calculated value is less than the table value at 5% level of significance it can be concluded that there is no significant difference between the facilities provided at training between the two organizations (ICICI and SBI).

Findings:

1. Male respondents dominated the survey in case of both banks on in evident from the data collected and analysed.
2. In case of both banks, majority of respondents had their Educational Qualifications as graduation as in evident from the analysis.
3. The area wise analysis reveals that in case of ICICI, majority of respondent belongs to urban areas, while in case of SBI; the majority of respondent managers belong to semi urban areas.
4. Majority of respondents from ICICI Bank attended one training programme while the majority of respondent managers from SBI attended two Training Programmes.

5. It was also noticed that there are no significant differences in the method followed for selection of managers for training. If the methods, seniority, annual plan schedule, no of training programmes attended previously etc. are the important methods followed for selection of managers for training.
6. It can also conclude that there is significant difference between the sample respondents of two banks on the objective of training and development related to two banks.
7. It was observed that there is significant difference between the samples respondents of two banks on the facilities provided at training centers of respective banks.
8. There were no significant differences which were observed between the samples managers of selected banks on the aspect related to benefits received from training. This was concluding from the analysis of the table presented.
9. It was also observed that there is significant difference between the samples managers of select banks on the issues related to the problems faced during training. Some of the problems include training material is inadequate and training period is lengthy.
10. It was observed that there are significant difference in the views of respondents relating to organization and need of training and development assessment.

Suggestions:

1. In case of experience it was observed that in case of SBI majority of respondents are having 5 – 10 years of experience while in case of ICICI majority of respondents are having 10 – 15 years of experience.
2. The analysis relating to qualification wise show that the majority of respondents of ICICI are degree holders and of SBI are pre- degree holders. The respondent in the other qualifications are less in number.
3. The observation relating to area wise analysis reveals that most of the respondents of both banks belongs to urban and semi – urban only. Those respondents who belong to rural areas are less in number.
4. There are no significant differences which are observed in the views of respondents relating to expectations from training and development program organized for them.
5. There are significant differences which are observed in the views of respondents relating to impact of training and development programs on job performance.
6. It was observed that there are no significant difference in the views of respondent clerks relation to impact of training and development programme on self development in case of two banking organizations.
7. It was concluded that there are no significant difference in the views of respondents of both banks relating to the opinion on training and development programme.
8. It was concluded that there are no significant difference in the views of male and female respondents on the impact of training and development programme on behavioral changes

Conclusion:

There is enough evidence to show that employees who were trained on a regular basis are the ones who provide a higher quality services to the customers. To develop an integrated and proactive training and development strategy there is requirement of coherent corporate culture rather than ad-hoc programs. In a service oriented industry such as banking, people are among the most important assets and a bank must efficiently manage its employees during every phase of employment in this competitive arena. It is concluded that public sector banks undertake training and development programmes for their employees to increase their efficiency. Banks provide training programmes to enhance their knowledge and skills to satisfy the customers. Growth of banking sector in India is the result of skilled manpower which is the outcome of training and development.

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