

Impact of Training and Development with Reference to Banking Sector in India

Jyoti
Ph.D Scholar (Management)
(2014-2017)
Kalinga University, Raipur, C.G.
Enrollment No. 15086418 (KU002MMXIV02010596)

Abstract

The rapidly changing business environment in banking sector and the constant challenges it poses to organizations and businesses make it imperative to continuously enhance and improve knowledge and skill sets across the organization. Banks are facing several critical pressures, including a short supply of leaders, the need to develop and engage employees, and issues with turnover. One of the biggest challenge being faced by professionals in human resource management today is the development of an effective HR strategy that aligns with and supports your organization's short- and long-term business goals. But even as high unemployment persists, employers are still facing a shortage of candidates with the right skills and experience to fill critical jobs. This paper discusses the impact of training and Development on the Employees of Banking Sector.

1. Introduction

The rapidly changing business environment in banking sector and the constant challenges it poses to organizations and businesses make it imperative to continuously enhance and improve knowledge and skill sets across the organization.

The Bank has built strong capabilities in training and development to build competencies across various sectors. Training on products and operations is imparted through internet-based training modules. Special programmes on functional training and leadership development are conducted to build knowledge as well as management ability at a dedicated training facility.

As per the report of Mrs. B.VIJAYALAKSHMI MURTHY(2013-2015)¹ Previous research has shown that Human Resource Management is one of the most important determinants of organizational performance or efficiency. According to (Stephen A. Stumpf, May-June 2010) companies functioning in India create a robust human resource team by incorporating a strong organized HR practice in place.

It is also found that on certain parameters such as the compensation and training and development, the private sector seemed to have adopted a practical approach such as screening and testing of job applicants to ascertain the applicant's job-fitness, training need analysis, training evaluation, etc. These authors are also of the opinion that Indian companies whether big or small implement HRM practices such as employee involvement practices, training and development practices, employee welfare practices, managing employee relations to manage employees. (Stephen A. Stumpf, May-June 2010).

2 Objectives and Research Methodology

Objectives of study:

1. To assess the role of HRM in Banking Industry.
2. To analyze the Impact of Training and Development (T&D) for employees serving in banks.

¹ Mrs. B.Vijayalakshmi Murthy (2013-2015), "Innovative HR Practices in IT Industry In India -An Empirical Study", Minor UGC Sponsored Research Project.

Research Methodology

It is always important to be critical of the information presented in sources, especially since the material might have been gathered to address a different problem area. Moreover, many secondary sources do not clearly describe issues such as the purpose of a study, how the data has been gathered, analysed and interpreted making it difficult for the researcher to assess their usefulness. In order to address this problem I have tried to triangulate the secondary data by using numerous independent sources.

The information about the problem is collected from the Research Journals, Trade Magazines, Annual Reports of Banks and the Internet. For evaluating 'The Impact of T&D in Banking Industry', I have focused on as recent material as possible. In order to get access to the latest developments in this area I have used a number of articles published in academic journals and trade magazines. We have also used secondary information from Internet based discussion forums.

3. Role of HRM in Banking Organisation

Human Resources (HR) can include a broad spectrum of specialties within organizations. Some examples of specialties include recruiting, payroll, policy, safety, training and development, and performance management. In smaller organizations, the HR professional may handle all of those specialties and in larger organizations, each specialty is most likely its own department.

Many banks in India were trying to hire the professionals with higher packages even when the GDP of country was quite high as they were not able to find the ready available talent. Few banks have taken steps to build the talent and one among them is ICICI Bank. They have tried to build the available resources on supply side to billable resources on demand side.

Our country is mainly dominated by medical and engineering colleges where bank industry finds it difficult to locate specific institutes who produce only pool of talents for banks. This made the banking industry to look beyond top cities for talent and moved to small town and rural India that need to be polished on social and corporate skills.

The roles within HR can vary greatly as well as with many departments from the purely administrative to the executive. Another related and perhaps more important question that is often discussed is, “what should HR be doing?” For me, HR’s primary purpose is to ensure that the right people are working in the right places to accomplish the organization’s goal.

In other words, HR is responsible to develop programs that will attract, select, develop, and retain the talent needed to meet the organizational mission. So whether you are an HR department of one or a combination of multiple departments that include hundreds of employees, your primary responsibility is talent management.

In an article written by Fast Company Magazine’s Keith Hammonds, Keith purports all the reasons “Why We Hate HR.” If the title itself isn’t enough to put a HR professional on the defense, then providing the declaration that “HR people aren’t the sharpest tacks in the box” as the first reason certainly will. His assertion in the article is that those who enter the HR field are not business people and are ill-equipped to understand business. He quotes a Society for Human Resource Management (SHRM) study that identified which coursework HR professionals found most beneficial to their success in the field to support his message that the majority of those working in the field do not see understanding business as necessary to their success. The results showed that coursework in communications, business law, and ethics were most beneficial.

A recently released SHRM survey of HR leaders indicates the same finding. The respondents in the U.S. indicated that strategic thinking is one of the top five competencies needed for senior HR leaders; however, business knowledge was not listed. While the lineage of the field of HR coupled with the introduction of legislation to protect employers may have contributed to stereotypes that exist in the field about the HR profession, our failure as HR professionals to recognize that we are business people charged with the company's most valuable assets will certainly continue to harbor those stereotypes we so emotionally defend. If you want a seat at the table, learn the business of business and speak the language of the executive team.

4. Impact of Training and Development in Banking Sector

The major impacts of effective training and development in the banking sector may be given as below:

i. Motivating the workforce

Due to the growth of the global market, a technological edge supported by a talent pool has become a vital factor for survival in the market. Due to the reason organization gives main priority to technology advancement programs. HR managers are now performing the role of motivators for their knowledge workers to adopt new changes (Chiamsiri, S., Bulusu, S. D. & Agarwal, M. (2005)).

ii. Managing people

Due to the increasing competition there is a need in the organization for knowledge workers, hence the companies always look for individual who can make a difference. Due to the reason gaining the right knowledgeable person had become a costly deal for the organizations but the attitude is different for those who are taking up responsibilities at a lesser age and

experience. These factors have resulted in the clear shift in approach to individualized career management from organization career commitment (Chiamsiri, S., Bulusu, S. D. & Agarwal, M. (2005)).

iii. Competency Development

Human capital is the real asset for any organization, and this makes the HR role important in recruiting, managing, and retaining the best. The HR department has a clear role in this process and determines the success tempo of any organization. An urgent priority for most of the organizations is to have an innovative and competent HR pool; sound in HR management practices with strong business knowledge (Chiamsiri, S., Bulusu, S. D. & Agarwal, M. (2005)).

iv. Developing Trust factor

Low levels of trust inhibit tacit knowledge sharing in the knowledge based industry. It is essential that companies takes more initiatives to improve the security levels of the employees (Chiamsiri, S., Bulusu, S. D. & Agarwal, M. (2005)).

v. Work life Balance Factor

This aspect creates with it the challenge of a smoother assimilation and the cultural binding of the new comers into the organization fold. The pressure of delivering the best of quality services in a reduced time frame calls for ensuring that employees maintain a work life balance (Chiamsiri, S., Bulusu, S. D. & Agarwal, M. (2005)).

vi. Attrition/Retention of the Talent Pool

One of the toughest challenges for the HR managers in any industry is to deal with the prevalent high attrition levels. Though there is an adequate supply of qualified staff at entry level, there are huge gaps in the middle

and senior level management in the industry. Further, the salary growth plan for each employee is not well defined. This situation has resulted in increased levels of poaching and attrition between organizations. The industry average attrition rate is 30-35 per cent and could range up to 60 per cent (Chiamsiri, S., Bulusu, S. D. & Agarwal, M. (2005)).

Bridging the Demand Supply Gap

HR managers have to bridge the gap between the demand and supply of professionals. With help of T&D they maintain consistency in performance and keep the motivation levels of employees high, despite the monotonous nature of work. The same also leads to recurring training costs. Inconsistent performance directly affects revenues. Dwindling motivation levels lead to a loss of interest in the job and a higher number of errors (Chiamsiri, S., Bulusu, S. D. & Agarwal, M. (2005)).

5. 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.

6. References

1. Kavita Rani, Diksha Garg (2014), “ A Study on Training and Development in Public Sector Banks”, International Journal of Management and Social Sciences Research. Vol 3 No.1, pp. 33-36.
2. R. Suhasini, Dr. T. Suganthalakshmi (2015), “Emerging Trends in Training and Development”, International Journal of Scientific and Research Publications, Vol 5, No. 3, pp. 1-10.
3. Dr. K. Karthikeyan, R.Karthi (2010), “Impact of Training in Indian Banking Sector – An Empirical Investigation”, International Journal of Business and Management Vol. 5, No. 7, pp.77-83.
4. Donavan Whyte (2016), “Training trends for 2016”,
<https://www.trainingjournal.com/blog/training-trends-2016-0>.
5. <https://www.ukessays.com/essays/management/training-and-development-in-icici-bank-management-essay.php>.
6. <https://trainingmag.com/5-trends-future-learning-and-development>
7. Mrs. B.Vijayalakshmi Murthy (2013-2015), “Innovative HR Practices in IT Industry In India -An Empirical Study”, Minor UGC Sponsored Research Project.
8. Madhuri Gupta, KavitaAggarwal (2012), “Talent Management Strategy: A Study of Private Banks In India”, Asian Journal of Multidimensional Research, Vol 1 No.4, pp 30-58.