

## Training Co-ordination Requires Overhauling A Case Study with reference to commercial banks in India

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### ABSTRACT

Key success of any organization lies with its employees. Most bank managements may have to reorient their training approach in the best interest of the people. The commercial banks in India have got a tough competition from the other non-banking financial institutions as well. Training and development of the employees plays a major role in helping the employees to face the present realities as well as the future eventualities. Training becomes a success if there is a wholehearted participation of the employees in applying the training inputs in to practice. Of course it requires active support and the co-ordination by the employees at all the levels. The structural base of the training system looks strong but some physical and psychological inconveniences seem to come in the way of proper co-ordination of training activities in banks. This definitely requires a change in the mindset of the officials who directly or indirectly come in contact with the training to set right the lacunae of lack of participation and disinterest in training.

KeyWords: Training, Bank, Staff development

### INTRODUCTION

All the major commercial banks have their own training institutes, which are called as Staff 'Training Colleges' or 'Training Centres' depending upon the type of training programmes and the level of trainees catered for. These training colleges are headed by principal who is usually Assistant General Manager (Scale V). They are even structured with teaching as well as non-teaching staff. The effective functioning and performance of the bank in general and the training system in particular is possible only with the commitment of top management and the co-ordinated efforts of different departments, line executives, trainees, branch managers and trainees as well.

Co-operation and co-ordination have distinct place in the functions of management. As per Hodge et. al. (1996), an organization is defined as a co-operative and co-ordinated social system of two or more people with a common purpose. According to Schein (1980), all organizations share characteristics such as co-ordination of effort, co-operation towards common goal or purpose. Two heads are sometimes better than one. Individuals who join together and co-ordinate their mental and physical efforts can accomplish great and exciting things. Co-ordination of effort leads to multiplication of individual contributions. Co-ordination of effort cannot take place unless those who have joined together agree to strive for something of mutual interest. Krcitner (2000), states that the common goal or purpose gives

the organization focus and its members a rallying point. Of course, to attain co-ordination of activities, hierarchy of authority is essential which creates a chain of command.

The definition of co-ordination itself is very clear-cut. It is a process of ensuring that persons who perform independent activities work together in a way that contributes to the achievement of overall objectives or goals (Bhat 2005). Internal, external, vertical as well as horizontal types of co-ordination play a critical role in the total co-ordination process. Synchronization of the activities between various work units, departments, external environment, customers, lower levels of management and operating departments ensure co-ordination. Sometimes the words co-operation and co-ordination are used interchangeably with each other. There is a difference between the two. Co-ordination is an essential managerial function whereas Co-operation is an attitude of an individual. Opposing interests lead to conflicts. Conflict involves incompatible behaviours that make another person less effective (Tjosvold 1993). The destructive conflict always hampers the smooth working of the organization. For successful Co-ordination, Co-operation is most crucial. Burton and Thakur (2000), express that through job specialization and departmentalization, number of operational units have been created in an organization. The activities of these units must be linked together to assure the achievement of overall organizational goals. The process of linking activities of various departments in an organization is facilitated through co-ordination. The need for co-ordination is very critical as the units in an organization are interdependent and can hardly function in isolation. They have to depend upon each other to perform their respective tasks.

This article aims to bring out the co-ordination of training activities in two leading commercial banks, i.e., Corporation Bank (CB) in the public sector, Karnataka Bank Ltd. (KBL) in the private sector. These are the nationalised banks in Dakshina Kannada district of Karnataka State of India. The

commercial banks in India have got a tough competition from the other non-banking financial institutions as well. Training and development of the employees plays a major role in helping the employees to face the present realities as well as the future eventualities. Training becomes a success if there is a participation of the employees in applying the training inputs in to practice. Of course it requires active support and the co-ordination by the employees at all the levels. In the light of this the information is collected from Staff Training Colleges, HRD and Training Division (in case of CB) and HR and IR Department (in case of KBL) after having a thorough interaction with the concerned authorities regarding the process of co-ordination of training activities. This study also tries to unearth some of the drawbacks in the co-ordination of the training activities in these selected commercial banks. The suggestions given in this paper could be adopted as a role model by all the commercial banks to improve their training system. This study has the following objectives.

### Objectives

1. To understand the function of co-ordination of training activities in CB and KBL.
2. To understand the process of Training Needs Analysis (TNA) in both CB and KBL.
3. To identify the loopholes in the co-ordination of training process.
4. To suggest measures to improve the training process based on the findings.

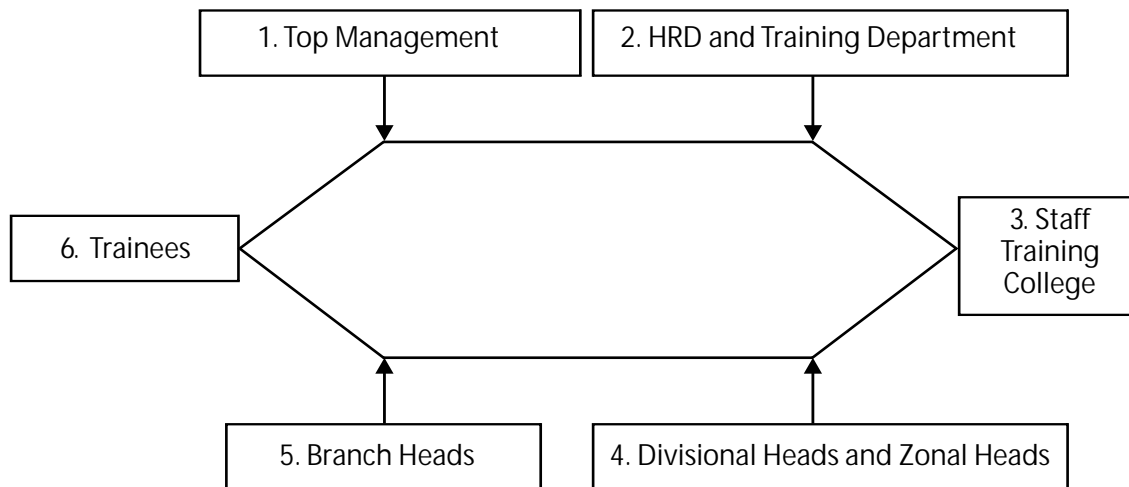
The major findings of this study are mentioned below.

### MAJOR FINDINGS

1. Co-ordination of training activities

The existing mechanism of training activities of CB is presented in the Chart 1 through the details collected from HRD and Training Division in the year 2006.

Chart 1 : Training activities in CB



Source: STC, Corporation Bank, Mangalore.

a. Top Management

The Governing Council for training consists of representatives of the top management. The Chairman and Managing Director (CMD) head the governing council. The Executive Director (ED) and all the General Managers (GMs) play a significant role in the quarterly meeting arranged to review the performance of the training system of the bank. The General Manager (GM), Personnel Administration Dept. (PAD), represents the top management in the training committee. The training committee meeting is held annually to review the effective functioning of the training system of their bank. The Training committee also frames training related policies on the basis of RBI guidelines. Co-ordination of training is made possible with an active interaction and involvement of the Top Management (TM), HRD and Training Dept., STC, Divisional Heads (DH) and Zonal Heads (ZHs), Branch Heads (BHs) and trainees. Apart from the above departments and functionaries, senior managerial personnel of the bank are also involved.

b. HRD and Training Department

The Corporation Bank has a separate Human Resources Development (HRD) and Training department to promote the development of its employees as well as its organisation. Among its various activities, training assumes a crucial role in imparting knowledge, improving skills, changing the mindset and attitudes of the personnel in order to equip them for meeting the changing needs of the customer-base and also the challenges of globalization and privatization. The department maintains the training data with respect to their employees for the previous years and for ensuing periods. HRD and Training division, apart from contributing to the training manual have also got a major role in finalizing the budget for training. The training needs of the bank are assessed in consultation with the branch heads and divisional heads. To summarise, HRD and training division of the bank facilitates the training function of the bank by co-ordinating the efforts of its STC, on the one side and other departments and divisions of the organisation, on the other, for increasing the effectiveness, skill, performance of its employees.

c. Staff Training College

The Corporation Bank has two well-equipped training institutions – Staff Training College at Mangalore and Training Centre at Bangalore. STC provides training to clerks (subordinate staff) and officers up to scale IV. But, mostly clerical and scale I officers from southern states are trained in STC. Since the transactional cost of training increases by arranging all internal training programmes at STC and making thousands of people travel a long distance. Clerical and Scale I officers and also sub-staff are normally trained in nearby zonal offices like Mumbai, Delhi, Kolkatta and Bangalore. STC provides various training programmes like induction, refresher and other functional related training programmes. At present, the training college of Mangalore, which comes under Dakshina Kannada district, is situated in Balmatta. Staff structure of STC indicates that the faculty consists of two managers of Scale II and three senior managers of Scale III as teaching staff. Non-teaching staff has one manager of Scale II and one data entry operator (clerk cum typist) and one sub-staff. The purpose of non-teaching staff is to carry out administrative duties of office work. Effective functioning of STC depends upon the proper co-operation and understanding of the functioning of teaching as well as non-teaching staff under the guidance of the principal. (AGM Scale V). To summarise, STC can be considered as the wing of HRD and Training division.

d. Divisional Heads

Training plan of the division includes the names of employees identified for training on each subject and also any specific training needs of the division taking into account the corporate objectives and specific problems faced, if any. The divisional manager during

branch visits or interface sessions, can have direct interaction with staff members and suggest any modification to the list of programmes, if found necessary. The divisional heads have to assess the performance of the employees serving in different divisions. This sort of appraisal helps identification of the training needs.

e. Branch Heads

The manager of the branch has got a great role to play in the revised system of training, in bringing about improved job performance and quality of functioning of branches. Branch managers have to take into account the strengths and weaknesses of their employees and also the branch and suggest suitable training inputs for the development of the branch. Apart from the identification of training needs, performance appraisal and also helping the new comers, with on-the-job training, the branch head provides necessary awareness for the utilization of training undergone by the employees with their co-operation. Zonal managers also can make branch visits and in the process they can help in the identification of training needs of the branches.

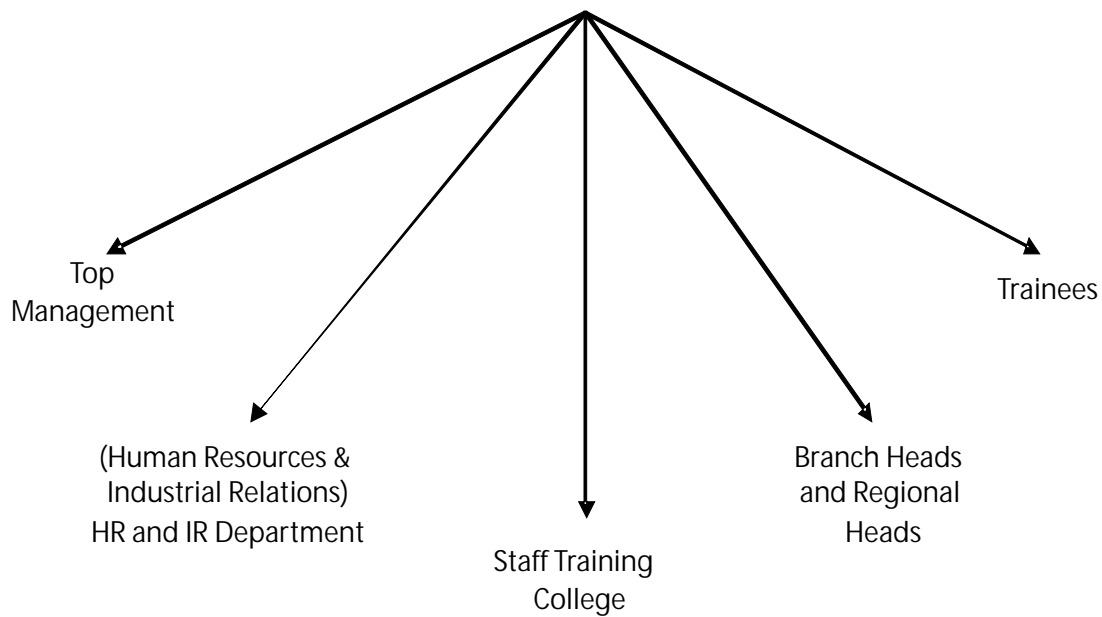
f. Trainees

Trainees who attend the training programme from different cadres in STC are subordinate staff, clerks, special assistants, officers, managers, branch managers, senior managers and also chief managers. Trainees also belong to the category of Internal Inspectors and Mixed Group and SC/ST/Ex-Servicemen. Religious Minority community candidates appearing for clerical and officers recruitment test are also part of trainees. Training proceedings will be sent to all employees about a month in advance so that the employees can make the necessary travel

arrangements and in case of any drop-outs, alternative arrangements can be made within that time. The trainees are supposed to write the learning test before the training and are supposed to answer the same questions after undergoing the training. This system ensures that the trainees have really learnt and absorbed certain things. They even have to

management in implementing the issues related to human resources management. It maintains training related information and data and gives the details to the top management particularly on training related areas. It plays a key role in finalizing the budget for training and the training calendar.

Chart 2 : Co-ordination of training activities at KBL



express their reaction of effectiveness of training, trainers' way of explaining, infrastructure and other factors of STC.

The chart 2 as per the details collected from HR & IR department of KBL in the year 2006 shows co-ordination of training activities at KBL.

- A. Top Management: Top Management plays a pivotal role in framing the training policies, issuing guidelines to the HR and IR dept, approving the training programme schedule (training calendar) as well as the budget for training.
- B. HR and IR Department: Human Resources and Industrial Relations (HR and IR) department is the right hand of the top

- C. Staff Training College: The STC of Karnataka Bank Ltd. is like the right hand of the HR and IR Department. The training strategies and objectives of the HR and IR Department will be converted from paper statements to reality. The Principal of STC prepares the yearly budget for training and Training Calendar with the directions and co-ordination of HR and IR Department. STC of KBL also conducts orientation and other functional related training programmes, somewhat similar to the Corporation Bank. The training requires the co-operation and co-ordination of faculty as well as guest faculty. The faculty members have a great role to play, as they have to hold training sessions, they need to prepare and upgrade the course material, evaluate the training efforts on

an ongoing basis to improve the quality of training. Faculty members are required to visit branches identified for Unit Based Training (UBT), accompanied by the principal in some cases where it is in practice. The faculty of STC, KBL are selected from generalized fields. Specialized knowledge will be imparted by availing of the services of external resource persons.

- D. Branch Heads and Regional Heads: Branch heads are responsible for initiating on-the-job training by effecting job rotation at the branch. They act as the reporting officers to the performance appraisal of the people working in their branch. Apart from analyzing the training needs of their employees, managers have to nominate and relieve the selected members to attend the training programme. The branch managers who have to submit the manpower budgets for their branch will also include the probable training budget necessary for their staff members.

Regional Heads have an indirect role in the process of training as they, on their visits to branches, might find the loopholes in the performance and effectiveness factors that help the branch heads in asserting their training needs. The reports given by them on the assessment of the performance of the employees serve as the valid report for identification of training needs.

- E. Trainees: Trainee officers who participate in external training programmes have to submit a training report along with their travelling cost bill to HR and IR Department of HO. Trainees are supposed to express their reaction to the training programmes once they attend it. They have to participate in pre-training and post-training tests actively so that it becomes easier for the faculty (evaluators) to substantiate the effectiveness of the programmes.

## IDENTIFICATION OF TRAINING NEEDS

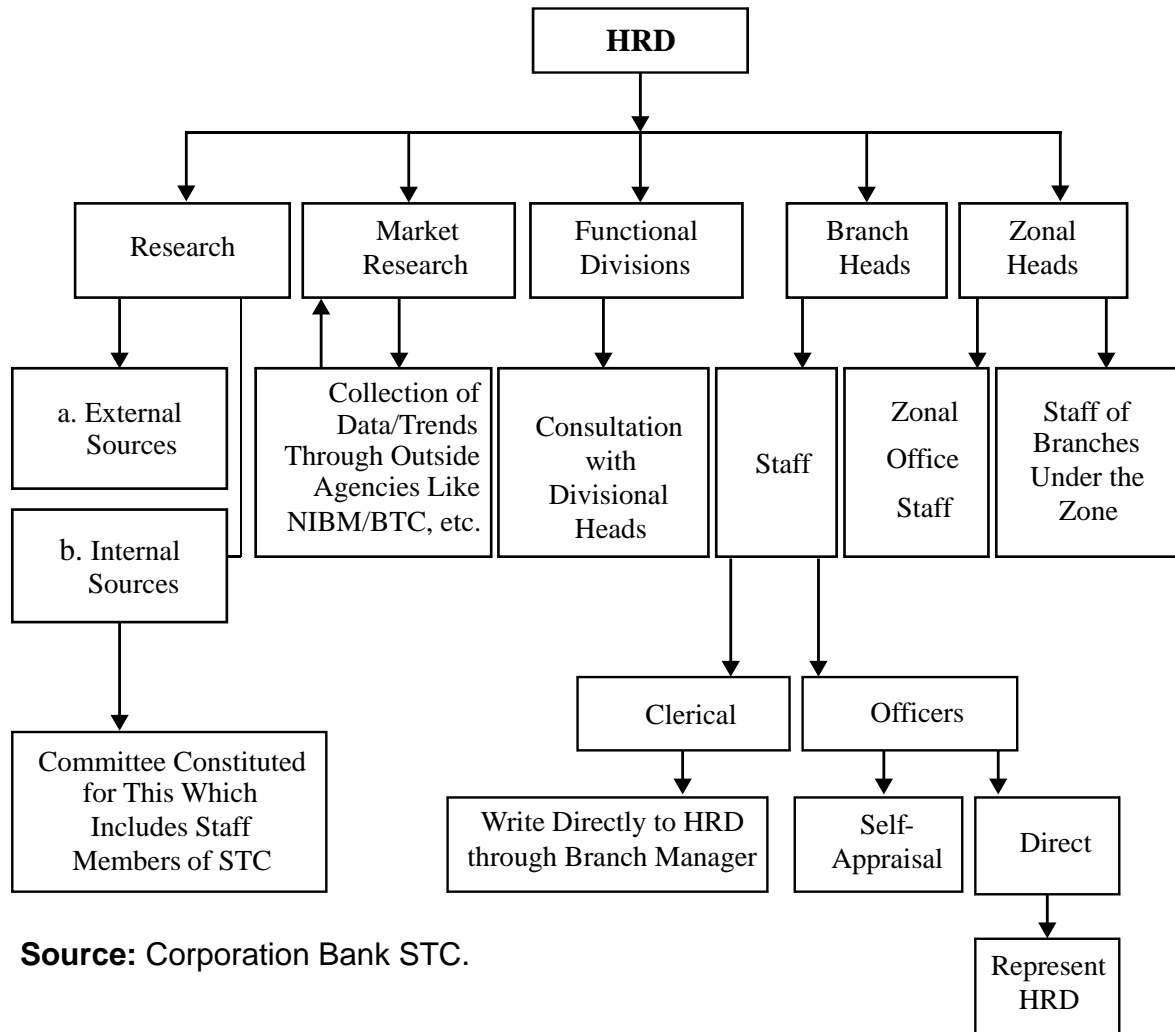
- a. Corporation Bank

Chart III gives an idea of the process of identification of training needs in CB. Unless the training needs of the individuals and the needs of the bank are identified, the whole process of training and development carries no sense.

The process of identifying the training needs in the CB is carried on at different levels, such as at Head Office level, Zonal Office level and at Branch level. Need analysis undertaken by both the Corporation Bank as well as the Karnataka Bank Ltd. do not actually identify the training needs of the staff. The Corporate Office of the Corporation Bank identifies the thrust areas and the training programme will be oriented towards these thrust areas like credit, recovery, clientele expansion, improving non-interest income and HR Skills. The bank then identifies officers/clerks required to be trained under these thrust areas. Since the need analysis is not being done, depending upon individual's aptitude and expertise in a particular area, it can be expressed firmly that training needs are not properly identified.

Zonal Heads not only identify the training needs of the Zonal Office Staff but also of the staff of branches under the respective zone. Training needs of the Head Office Staff is identified by the Divisional Heads (DHs). 'HRD and Training Division' takes care of the training needs of Zonal Heads and Branch Heads. Thus, there is an involvement of functionaries at all the levels that furnish the details to the HRD and Training division. The final compilation of the details to the Staff Training College by the HRD and Training Division itself acts as an ultimate facilitator in arranging for staff training. Along with the co-operation and co-

Chart 3: Identification of Training Needs in the CB



Source: Corporation Bank STC.

ordination of the functionaries at different levels, there are certain supplementary documents like job rotation cards, performance progress cards, performance appraisal report that aid the process of training needs identification at specific levels in the bank.

b. Karnataka Bank Ltd.

Chart IV indicates training needs Analysis in KBL

The Principal of STC is indirectly involved in the selection of trainees. The AGM, after holding discussions with the faculty members regarding the training programmes will place it

in the form of note to the DGM, HR and IR department. The concerned managers of HR and IR department will select the members for training.

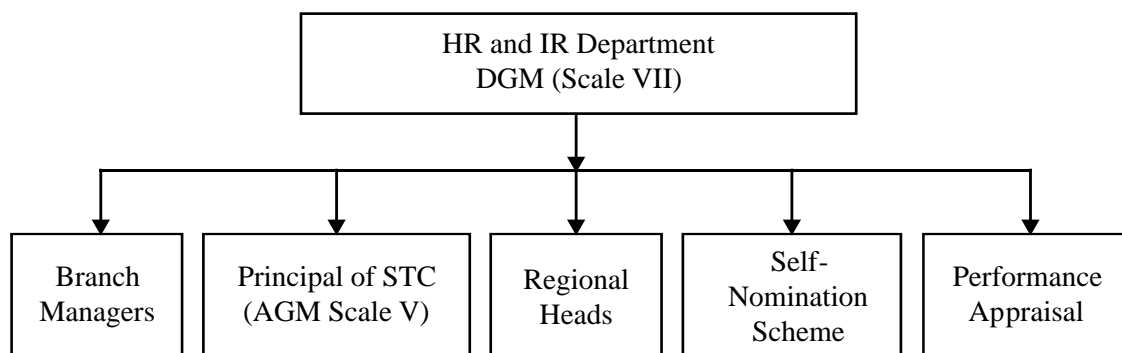
2. True participation of officials

Karnataka Bank Ltd.: Training practice of KBL does not involve the active participation of departmental, regional and branch heads since HR and IR department takes unilateral decision regarding the matters concerning the training and naturally these functionaries also perceive that participating and providing information and feedback of the people regarding training is not their responsibility at all. The whole

system of training does not make the banking functionaries accountable and thus, many a times the branch heads are reluctant to include the training related information which should have been included in the manpower budget that is presented by every branch and thus,

Committee. This shows the reluctance of the top management in making mandatory, the participation and involvement functionaries of various divisions in giving valuable insight to restructure and improve the training programmes on a regular basis.

**Chart 4 : Identification of Training Needs in Karnataka Bank Ltd.**



**Source:** STC, KBL and HR and IR Department.

giving a false idea about the training expenses and requirements. KBL actually does not maintain the training budget, which should have been maintained to understand the total cost of training to the bank.

Corporation Bank: Executive representatives of various divisions like credit, recovery, marketing, financial and risk management, planning and development, information technology have to go through the training manual and give suggestions. In the process, some of the functionaries may not go through the training manual either because of the tendency to neglect the training function or because of paucity of time. The personal assistants of these functionaries also may not take interest in going through the material and bringing it to the notice of the functional heads. The resultant factors will no constructive suggestions or schemes from these executives. Thus, it is as good as having partial or no participation by members of Training Review

The governing council in CB, which is set up in the year 2003-2004 as per the guidelines of Reserve Bank of India (RBI), should approve the training manual. However, the training manual will have its own limitations. The coverage that has been given in the manual may become rudimentary after a few months, which cannot be deleted at the level of STC. For instance, the topic 'Vision 2006', which was proposed by the old committee, still continues since it is inserted as one of the topics in the training programmes. Since there is a wide gap between the expectations of the bank and its real performance, it is known to everybody that 'Vision 2006' would remain in books. Thus, there is no point in wasting time in covering topics, which might be a burden for the faculty as well as the trainees. In this respect, the flexibility to change the topics and freedom to alter the topics as per the requirement is very much lacking, especially for the faculty members.



3. Appointment of Faculty

STCs of both CB and KBL do not have permanent faculty of their own. The faculty are posted in the STC usually for a period of five or more years. The officers of the bank who are posted as faculty should have vast operational experience with good track record, in the concerned field. This system of appointing the personnel of the bank, as faculty members temporarily does not make the faculty committed and takes interest in research and development programmes.

4. Trainers' interest in job

Most of the trainers in STC feel that they are compulsorily pushed into the system of training the employees of the bank even though they were not interested in it. This shows that there is lack of well developed regular and permanent selection process as far as the faculty of STC are concerned.

5. Motivation of faculty members

The motivation to the faculty members is usually very less and they have hardly any scope to pursue their academic interest since they are engaged in operational tasks of training as well as non-training related responsibilities in administrative and clerical areas which might reduce their focus on training by impairing the overall effectiveness. Faculty will be hardly left with any time for spiritual aspects of HRD such as learning, upgrading and acquiring knowledge of the latest banking trends and techniques. The current training practices of STC expect a particular faculty member to handle all the topics irrespective of his/her specialization, which makes the things difficult for the faculty to develop expertise in their aspired areas. In the process of making the trainers 'Jack of All Trades and Master of None', we also end up with

many losers, not only the bank but also the trainees and trainers themselves.

6. The process of identification of training needs

Training of KBL is need based too as in the case of CB. The training needs of the bank are supposed to be identified from different angles such as self-nomination scheme and performance appraisal practices. But it is a known fact that in commercial banks, the training is not directly correlated to the job performed by the employees especially at the clerical level. This also happens because of the job rotation practices followed by the bank religiously. Thus, the aspects like self-nomination scheme and performance appraisal are not utilized in real terms for the purpose of identification of training needs.

The corporate offices of the banks under study, identify the thrust areas and the training programmes are oriented towards these thrust areas like Credit, Recovery, Clientele Expansion, Improvement of non-interest income and HR Skills. The banks then identify officers and clerks required to be trained in three thrust areas. Training Needs Analysis (TNA) is not being done depending upon individual's aptitude and expertise in it. There is no correlation between the training provided by the bank and post training placement of the employees. For instance, an employee who is trained in marketing may be posted in cash management and vice versa.

7. Trainees' keenness to attend the training programme

Trainees in a majority of the cases attend the training programmes with reluctance and apprehension. This shows that they are not well prepared to take up training. Naturally this exercise is going to be wasteful, without

transfer of learning or development of skill and knowledge. Trainees are not well convinced regarding the necessity and importance of the particular training to them. Individuals may not work hard on anything unless they are convinced of its benefits and advantages.

Based on the findings few suggestions are given:

1. Co-ordination of Training Activities

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. They should participate in the analysis of the training needs of their people and should recommend the selection of employees for different training programmes. These functionaries should never think that these responsibilities are burdensome or wastage of time, instead they should consider themselves a part of the training system, which also enables them to discharge their HR responsibilities. The process of preparation of training material like case studies, in-basket exercises and role plays at the training college and centres can be greatly facilitated by the constant supply of such in-bank raw-material.

2. Empowerment of the Training System

There has to be effective communication and follow up between top-management, operating functionaries and training system. KBL should first think of establishing a Formal Training Committee so that training plans and policies are clearly designed. The goals of the management of the bank should be highly specific and by paying more attention to HRD and training system, the management should empower training system with more authority and responsibilities. Since HRD should be

considered as the strategic business partner, the objectives and strategies of the top management should be made known to the training system or HRD division beforehand so that training programmes of the bank are in tune with the achievement of its objectives.

3. Flexible Training Practices

The training practices must always have an in-built flexibility and the trainer must have the freedom 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.

4. Professional Trainers

There is no permanent faculty in the staff training colleges of both CB and KBL. The system of appointing trainers for a temporary period affects the quality of training. By the time the trainers get mastery over the art and science of teaching, they would have been transferred and this type of blitz of the job rotation might even distract the banking personnel, who do not aspire for it. It is advisable to appoint the faculty in the training colleges of the bank on a permanent basis so as to avail off their expertise fully and professionally.

5. Status for the Trainers

More and more research and development activities, participation of trainers in the functions of customer education should be established so as to enhance the credibility of training in banks. It is better if training institutes have their own research unit where they can develop products and services by keeping in constant touch with the external competitive environment. The trainers can be given the status of consultants to the top management of the bank, towards the

achievement of its objectives or to enhance the performance or even to solve operational and business problems. In order to establish the credibility of training system, in particular, and HRD culture in general, there has to be such a climate in the bank where the viewpoints of the training department in the bank should be considered as authentic which should get immediate attention.

6. Recruitment of Trainers

The management of the banks should recruit adequate number of qualified and talented staff in the STCs so that the faculty members are not overloaded with the administrative and clerical duties, which would allow them to do justice to the training function. The management should co-ordinate the activities in such a way that the adequate opportunities are provided to the faculty members for growing technically and professionally. Faculty should have enough time for professional reading and updating his/her knowledge in banking field. The bank management should also broaden the scope of activities of the trainers by giving them opportunities to attend and represent seminars and workshops so as to enable them to pick up new techniques and latest developments in the field of training methodology, pedagogy or novel ways of utilization of training methods.

7. Post-Training Utilization

Training should equip a person for his immediate assignment, so that he will be in a position to discharge his responsibilities better. If this does not happen, not only the employees at their work cannot utilize the training inputs but also the quality of work suffers. While applying the rotation of jobs, employee's training status has to be considered by the bank so as to avoid the mismatch of needs and training. Proper post training utilization ensures high returns in the form of change in

style of performing and functioning as the knowledge gained in the training can be applied without any barriers.

## 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 not be treated as the whole and sole responsibility of the training division but requires active participation, support and involvement of the top management, line managers, branch heads and divisional heads so as to ensure proper co-ordination of training activities. Training should receive maximum support from top management at the emotional level, which helps the training system to involve in solving organizational problems. The success of training not only depends upon the co-operation and co-ordination of bank management and faculty members of STC but also of the trainees. If each individual, whoever is involved in training directly or indirectly, realises his/her duties and responsibilities, no doubt, training will change employees' outlook in all respects.

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