

CHAPTER ONE

Introduction

The Problem of Research

Importance of the Study

Objective of the Study

Methodology of Research

Definition of the Concepts

Scope and Limitation of the Study

1.1 Introduction

Malaprabha Grameena Bank (MGB) is one of the leading regional rural banks (RRBs) in the country with several firsts to its credit. As at the end of June 1987, the achievement of MGB at national and state levels as given in the handbook published by the bank is given below:

- I. First place in terms of total business at national level.
- II. First place in outstanding advances amount at the national level.
- III. Second place in terms of branch expansion at the national level.
- IV. Fourth place in outstanding advances account at the national level.
- V. Fifth place in terms of loans advanced under Government sponsored schemes at the national level.
- VI. Seventh place in terms of deposit amount at the national level.

At the state level the bank secured the first place in all key areas. The bank has succeeded in maintaining the above achievement from the very inception. The bank has attracted many researchers who have studied the different aspects of the functioning of this bank. Here the researcher has taken up the study of the human

element of the bank and has concentrated on the efforts of the bank for the development of and the maintenance of a happy and contented staff.

The efficiency of any organisation ultimately depends upon the efficiency of its workforce. Human Resource Development (HRD) has started receiving great importance in recent years. Government of India has established a separate ministry of HRD at the centre. Shri.R. Venkatraman, the then Vice-President of India in his inaugural address made at the National Conference on HRD and the seventh plan observed "Even though a country may possess abundant physical resources it cannot make a rapid economic and social advancement unless there are people who are enterprising and have developed necessary skills and attitudes"^I The real difference between one society or organisation and the other depends upon the quality of its people. A very small country like Japan has economically progressed so well because of the efficiency and the integrity of its people.

"HRD should not be considered as a narrow concept covering only development of technical skills of an individual in purely economic terms but the total development"

1. R.C.Mohapatra, "Training and Human Resource Development, Quarterly Journal of Management Development, Vol.17 Nos. 45-48, Jan-Dec 1987., p.69.

of the individual and his personality in all aspects.

Institutional training is considered an effective tool in bringing about this development² and the skill of an employee for accomplishing a specific job. "A wise management uses training as a tool of control. Training has been a successful method of reducing accidents, reducing waste and increasing quality. Men must be trained properly to handle the new jobs and to meet the requirements of the new methods. The dynamic view point concerning personnel problems stresses industrial education and training".³

"The training programme should be evaluated periodically using before and after measures".⁴ The MGB has its own schemes of evaluation of the training needs of the organisation and the effectiveness of the training facilities provided to its staff. But an evaluation by an outsider will be more realistic than the evaluation by the organisation itself. The outsider has an advantage in that being an outsider he can study the things without bias and he has scope to study the things objectively. He can analyse the things without inhibitions. Here a sincere attempt is made in this direction.

2. Ibid.

3. Scott, Clothier and Sprigal, Personnel Management, Principles, Practice and a point of view, Tata McGraw Hill, (6th edn)

4. R. S. Dvivedi, Manpower Management, Prentice Hall India, 1980. p. 144.

1.2 The problem of research.

Extensive reasearches have been carried out on different aspects of training and human resource development. These researches are carried out mainly in areas like effectiveness of different methods of training, different factors that affect the efficiency of the employees, different techniques that are used in the process of training and their effectiveness, analyses of the course content and the practical utilities of training etc. Dr. R.C. Mohapatra⁵ has analysed manpower planning, the methods and techniques of training and the training needs in the State Bank of India. He has also assessed the training needs of the employees of the State Bahk of India (SBI) and the faculty requirements. A similar study has also been conducted by Prof. Balasubramanian and Prof. Satyamurthy of the department of management studies, University of Madras⁶. They have analysed the course content, group size, duration of the training period, facilities, teaching aids and materials like handouts, practicals etc., in nationalised banks Zonal training centre (Southern Zone). The staff training centre at Dharwad which is imparting training to the employees of Malaprabha Grameens Bank(MBB), Varada Grameena Bank (VGB), Bijapur Grameena Bank (BGB) has its own procedure of evaluation of the effectiveness of the

5. R. C. Mohapatra, n.1,pp. 61-70.

6. N. Balasubramanian and M. R. Satyamurthy, Impact of Institutional Training on Human Resources Development, Quarterly Journal of Management Development, Vol. 17, Nos. 45-48, January-December, 87.

training given at Belgaum centre also is similarly evaluated. But an evaluation by an outsider can be more realistic and objective, unbiased and reliable as the respondents will be fully at ease while answering the questions set by an outsider. They are likely to have reservations or fear in their mind while answering the queries by the training staff or the bank authorities. The researcher has made a sincere attempt in this direction, i.e., an external evaluation of the training facilities provided to the employees of the MGB. The employees and the officers of MGB also receive training from other training centres like the Regional Training Centres set up by NABARD, College of Agricultural Banking, Pune, set up by Reserve Bank of India (RBI) etc. The present study mainly concentrates on the evaluation of the training received by the employees, the practical utility of the training received by them, the attitude of the MGB staff to the training given to them by the bank, the extent of the support given by the MGB. in various forms like providing training opportunities by identifying the training needs from time to time, the facilities given by the bank during the training period like the travelling allowance, Dearness allowance, leave facilities, encouragements to trained staff etc.

1.3 Importance of the study

Training plays a very important role in creating an efficient, contented and happy army of employees. Training is essential to the employees to introduce them to the organisation and make them feel homely at the new organisation, its environ-

ment and its working methods and procedures. The qualifications, the capacity and the capability of the incoming employee, no doubt, are of equal importance. But they cannot be treated as substitute for training. They only ease the effort of the employer for a well qualified and capable will be quick in grasping the things and can be trained with great ease. Training is a must even for the most intelligent of the persons joining the organisation. Training is needed not only to introduce a new employee to the organisation, its work etc, but it is equally essential to update the knowledge of the employee according to the needs and requirements of the organisation. Change in the methods of production, introduction of new machines and procedures, mechanisation and automation can render the existing knowledge insufficient and obsolete. Training helps to overcome such obsolescence.

MGB is one of the leading RRBs in the country with many firsts to its credit as already noted in the introduction. It is also one of the very few profit earning RRBs in the country. With the exception of the first four years of its life, it has been earning profit continuously since 1981. In 1986 it earned a profit of 19.54 lakhs and it earned a profit of rupees 18.99 lakhs in 1987. With this amount of profit, it stood first among all the RRBs in Karnataka in terms of profit earned, followed by Tungabhadra Grameena Bank which earned profit of rupees 13.60 lakhs and 10.57 lakhs respectively in 1986 and 1987. These outstanding features of the Bank has naturally attracted the attention of many researchers to study different aspects of the working of this

bank. Shrinivas Vadavi⁷ has studied the role of regional rural banks in karnataka and has concentrated on the study of selected five branches of MGB in Dharwad district. He has analysed the mobilisation of deposits and advances of MGB in five branches viz., Dhundshi, Haliyal, Dambal, Hebbal and Navalur branches of the bank. In the present study the researcher has concentrated on the human side of the said bank. "People are the most important resource in all business and government endeavours."⁸ A sincere attempt is made to evaluate the effectiveness of the training facilities provided by the MGB in an objective manner. The study can be of good use for improving the methods and techniques of training in the bank. The process of development is never ending. Eventhough profit earning is not the main motto of the RRBs, profit is essential for the survival of the RRBs. Majority of the RRBs in the country are in red. They should and must earn atleast a minimum amount of profit which is essential for their survival. This should be done by enhancing the efficiency of the staff and by reducing waste and not by charging exhorbitant rates to the customers. There are examples of the RRBs which have earned goof profit by efficient working like the Gorakpur Krishik Grameena bank in Uttar Pradesh which has earned a profit of rupees 90.96 lakhs in the year 1986. This bank is

7. Shrinivas Vadavi, M.Phil Dissertation(unpublished) "A Study of Selected five branches of MGB in Dharwad district with special reference to mobilisation of deposits and advances (Shivaji University) No.4968(A)

8. Dale yoder, Paul Staudohar, Personnel Management and Industrial Relations, Prentice Hall India, New Delhi, 1987, P.5.

working with a total manpower of 981 (the total manpower of the MGB is 1,211 at the end of 1986) and stood first in terms of profit earned by the RRBs in the country. Prathama Bank in Uttara Pradesh stood second in terms of profit earned in the same year and it earned a profit of rupees 40.93 lakhs. This books is working with manpower of 972. This shows that there is a lot of scope for enhancing the efficiency of the staff in MGB. This can be done by using training as a useful device for improving the performance of the staff. It is essential to instill confidence in the workers and to develop in them the right attitude and skill required for the work. The effectiveness of other incentives and encouragements depends basically upon a well planned training programme.

1.4 Objectives of the Study

The objectives of research are to study

- a) importance given to the function of training in MGB,
- b) facilities provided by MGB during the training period like leave with pay, travelling allowance, dearness allowance etc.
- c) the course content and its relevancy to the RRB staff,
- d) Methods and techniques of training liked by the trainees,
- e) the training period and the feeling of the trainees regarding the same,
- f) teaching materials handouts and other aids used in the process of imparting training,
- g) Analysis of different programmes conducted at the Rural Banking Training Centres (RBTCs) of MGB

h) the skill, qualification and experience of the training staff.

1.5 Methodology of research

It is a case study of the training and HRD in MGB. The study is basically dependent upon primary data collected by sending questionnaire to more than ten percent of MGB staff through post, selected on simple random sampling basis, supported by the data personally collected by the researcher from the branches in and around Dharwad. Secondary published and unpublished data like MGB's own publications, RBI reports, reports of NABARD on RRBs and other dissertation works and Ph.D thesis etc., are used for the purpose of the study.

1.6 Definition of the Concepts

Evaluation : Assessment of the effectiveness of the training given to the MGB staff.

Training : "Process of passing along 'know how' through carefully selected methods according to a well conceived plan by competent and well prepared people in a suitable learning climate to shorten learning experience."⁹

RRBs : Regional Rural Banks as defined in the Regional Bank Act, 1976.

Course content: The items included in the syllabus for study and discussion.

9. S. C. Saxena, Business Organisation and Administration, Sahitya Bhavan, Agra, 1987. p.433.

Facilities : All benefits made available and even concessions given; and encouragements given by MGB like the travelling allowance, Dearness allowance, leave with pay, etc., to the employees to attend training programmes.

Employee : In MGB employee means and includes only the clerical staff and does not include the field officers and other official staff. At other places the word is used in a generic sense to include the whole manpower of an organisation.

Officers : With special reference to the MGB it includes only field officers, managers and other officers and does not include the clerical staff.

Staff : Includes both the officers and the employees (i.e., clerical staff.) of the bank

Productivity: The output for a given input and in banks we consider the output in the form of business i.e., the deposits, advances per staff.

1.7 Scope and limitations of the study.

The study mainly concentrates on the training facilities available to the staff of the MGB through its own training centres i.e., the training centres established by the sponsor bank for imparting training to the RRD staff and through other training centres like the Regional Training Centre, Mangalore, established by the National Bank for Agricultural and Rural Development (NABARD) and the College of Agricultural Banking, Pune, established by the (RBI) etc. The study concentrates on the importance given by the

MGB authorities for the training and development of the MGB staff. Even-though the training centres established by different authorities like the sponsor banks and the RBI etc., it is left to the RRBs to get the best out of the facilities available to them from such training centres. Identifying the training needs of the employees (Staff), the needs and requirements of the training to its staff, expressing their requirements before the authorities like the sponsoring banks, the RBI, NABARD etc., encouraging the staff to undergo the training by providing necessary leave, the travelling allowance, dearness allowance, etc., deputing the staff at suitable intervals to refresher courses, encouraging the trained and skilled staff in the form of proper rewards like promotions, increments etc., is left to the MGB authorities. These aspects are taken into consideration in the present study. In view of the limited time within which the study is required to be completed the researcher has not gone into the details of various aspects and various other factors which affect the efficiency of the staff like the organisation climate, placing of the employees, superior-subordinate relations, other monetary and non-monetary incentives, educational qualifications of the workers, the selection procedure in the bank etc.