

MODERN REFORMS OF BANKING SECTOR

Dr. A. Jaya Sundar

Lecturer in Commerce, Madurai Kamaraj University College, Aruppukottai-626159

Abstract

Banking sector reforms were introduced to remove the deficiencies in banking sector. The lack of autonomy is reflected in the fact that there is a common wage package for all bank employees irrespective of the health of the bank concerned. A globally competitive economy requires a robust and competitive banking system. The present banking system is a result of reforms and policy changes that have taken place in the past. Pre-1991, India had nationalized banks in two phases in 1969 and 1980. It meant that public sector banks (PSBs) controlled the credit supply. The post-1991 period can be thought of in three distinct chronological phases. The first one was roughly from 1991 to 1998. The second started from 1998 and continued until the beginning of global financial crisis. The third we believe is an ongoing process. In India, commercial banks are the oldest, largest and fastest growing financial intermediaries. They have been playing a very important role in the process of development. In 1949 RBI was nationalized followed by nationalization of Imperial Bank of India (New State Bank of India) in 1995. In July 1969, 14 major commercial banks were nationalized and in April 1980, 6 more were nationalized. Reforms in banking sector have led to the setting up of new private sector banks as well as entry of more foreign banks. Hence, the present Modern Reforms of Banking Sector. And the study based on Secondary Sources of information collection.

Key words: Remove the Deficiencies, Health of the Bank, Competitive Banking System, Global Financial Crisis and Nationalization.

Introduction

Human resource has become strategic resource to gain sustainable competitive advantages in this age of globalization. Human capital is the differentiator between a good company and a great company. Human resource is the very important and the backbone of every organization and it is also the main Resource of the organization. Human capital is the differentiator between a good company and a great company. One significant function of Human Resource Management to the effective use of human resources in training and development. Effective training and development is an investment in the human resources of an organization, with both immediate and long-range returns. Training is a key element for improved performance; it can increase the level of individual and organizational competency. Training holds the key to unlock the potential growth and development opportunities to achieve a competitive edge. Training programs helps in making acquaintance of employees with more advance technology and attaining robust competencies and skills in order to handle the functions and basics of newly introduced technical equipment. Training facilitates the updating of skills and lead to increase

commitment, well-being, and sense of belonging, thus directly strengthening the organization's competitiveness. Training has the distinct role in the achievement of an organizational goal by incorporating the interests of organization and the workforce. There is no doubt that training is important in all aspect for an organization. Training has traditionally been defined as the process by which individuals change their skills, knowledge, attitudes, and /or behavior. The primary role of training is to improve the employee's skill for current and future duties and responsibilities. Training helps them to change with aspects like technology and competition. Nowadays training is the most important factor in the business world because training increases the efficiency and the effectiveness of both employees and the organization. Training is important to enhance the capabilities of employees. Recent researches reveal that training enables most organizations meet their goals and objectives. In doing so employees are able to learn new work concepts, refresh their skills, improve their work attitude and boost productivity. On the one hand, most of the employees need training to perform their job duties or at least to increase the quality and quantity of their work; on the other hand, skilled and efficient manpower is the most important success factor in achieving the goal of organizations. Training facilitates the updating of skills and leads to increase commitment, well-being, and sense of belonging, thus directly strengthening the organization's competitiveness.

Objectives

This study is intended to measure the level of performance in terms of imparting training. It also evaluates the impact of training on employee performance on their jobs. Keeping these objectives in view, we presume that training is positively related to job performance of employees. To study existing status of training and development programmes banks for their employees and to examine the effectiveness of training and development programmes for employees in fulfillment of their duties.

Research Methodology

Present research paper is of descriptive type and based on primary data collected through questionnaire filled by the employees. The secondary data includes reference books, journal, research papers and internet. Random sampling of 40 respondents from employees from different banks like SBI, Oriental Bank of Commerce and Punjab National Bank located in urban area of Kurukshetra.

Training and Development

Training: The aim of any training programme is to provide instruction and experience to new employees to help them reach the required level of performance in their jobs quickly and economically. For the existing staff, training will help develop capabilities

to improve their performance in their present jobs, to learn new technologies or procedures, and to prepare them to take increased and higher responsibilities in the future.

Development: Employee Development Programs are designed to meet specific objectives, which contribute to both employee and organizational effectiveness. There are several steps in the process of management development. These includes reviewing organizational objectives, evaluating the organization's current management resources, determining individual needs, designing and implementing development programs and evaluating the effectiveness of these programs and measuring the impact of training on participants quality of work life.

Differences between Training and Development: Employee training is different from management development or executive development. While the former refers to training given to employees tin the operational, technical and allied areas, the latter refers to developing an employee in the areas of principles, and technologies of management. administration, organization and allied ones. In the Banks, there is a need for the continuous training and development of the staff in the areas of customer care services on operational aspects and behavioral aspects of the business. How are the needs identified? The training needs are assessed through task analysis and performance analysis, which can be conducted through surveys, or form the information furnished by the heads of the departments, customer complaints, even from the reports on 360 degree feedback systems. In case of a large banks, there are two ways of conducting training programmes- through an established department having a full time HRD functionary who oversees all the training and development functions of the Banks or through an external trainers coordinated by the HRD department. These days Banks have recognized the need for training and re-training their staff, in order to develop a competitive edge over their competitors in delivering high quality services to the customers. Traditionally, banks have recruited young school leavers, and their initial training was either long apprenticeship or on-the-job or formal training in basic routine operations. Aspirants to management position were encouraged to qualify professionally by reading for associate-ship of the Institute of Bankers or an equivalent qualification. It was argued that banking requires exercise of sound training and development programmes for their employees.

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.

References

1. Halder Uday Kumar and Sarkar Juthika (2012), "Human Resource Management" Oxford University Press.
2. Jadhav Ajit (2013), "A Study on Training and Development in Indian Banks", ABHINAV National Monthly Refereed Journal of Research in Commerce & Management, Vol.1, No.1, pp34-39.
3. Ramakrishna G. Kamleshwari, Kumar, M. Girdhar, Krishnudu CH. (2012), "Effectiveness of Training and Development Programmes. A Case Study of Canara Bank Employees in Kurnool District". International Journal of Multidisciplinary Research, Vol.2 No 4. Pp 150-162.
4. Purohit Manisha (2012), "An Evaluation of HRD Practices Followed in Co-operative Banks in Pune Region", ACEDEMICIA: An International Multidisciplinary Research Journal, Volume 2, Issue 8, pp 186-195.
5. Saharan Teena (2010), "Training for Employees Major Constraints Automobile Industries are Facing", Optimization, Vol.3 No.1, pp.88-89
6. Srimannarayana M. (2011), "Measuring Training and Development", The Indian Journal of Industrial Relations, Vol.47, No.1, pp 117-125.
7. Sthapit Arhan (2012), "Strategic factors in evaluation of Induction Training Effectiveness an exploratory study of Nepali bank managers" EXCEL International Journal of Multidisciplinary Management Studies, Vol.2. Issue 8, pp.16-32.