

Indian Banks: IT Support & Training

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Abstract--The main objective of this research paper is to observe as to how the selected Indian Banks provide hardware maintenance and support for their branches. The study also aims to find out whether the selected Indian Banks provide IT Training to its employees and the type of training provided. This was pursued by conducting structured interview of branch heads of the selected 16 scheduled banks of Meerut (U.P.). The researcher with the help of a questionnaire inquired from the branch heads of selected banks and compared the responses with the desired state using GAP Analysis Worksheet. The study indicates that most of the Indian Banks have outsourced hardware maintenance and support. The study also clearly suggests that almost all the Indian Banks provide IT Training to its employees and the nature of the training provided differs from bank to bank.

Keywords: IT Support, IT Training, Onsite Training, Offsite Training, Online Interactive Training, Training on Demand, Hardware Maintenance

Jel Classification: M15 (IT Management)

I. INTRODUCTION

Banking has become increasingly dependent on information systems & the IT Ecosystem surrounding these information systems. The adequate IT support, maintenance and training of personnel is vital for efficient working of the entire IT ecosystem in particular and banking in general. The banks need to develop a proactive approach towards IT support, maintenance and have a mechanism to regularly provide training to its employees so as to equip them to effectively and optimally use the information systems & the IT Ecosystem, thus providing a agreeable experience to its customers.

II. REVIEW OF LITERATURE

Parsons, Gotlieb and Denny [1993][1] in their study deals with the impact of IT on banking productivity per se. Computerization is one of the factors which improves the efficiency of the banking transactions. They concluded that higher performance levels have been achieved without corresponding increase in the number of employees. Also, it has been possible for Public Sector Banks and Old Private Banks to improve their productivity and efficiency by using IT.

Healy & Palepu [2001][1] in their study suggest that the use of technology can improve/enhance systems for administrative control such as enabling better management of risk, which if disclosed in regulatory reports to supervisors and in annual reports to investors, can improve bank transparency and enable the banks to reduce their cost of capital. Hence, technology can be the key to differentiation, competitive edge, and institutional survival.

Mittal & Dhingra [2007][1] in their study suggest that Indian banking industry has witnessed a remarkable development in the Informational Technology (IT) in last few years. Banking transactions are becoming easier and customer friendly due to the technological improvements. To play a supportive and key role, banks are providing with lots of services which are the combination of electronics and information technology, like, Automatic Teller Machines, plastic money i.e. Credit card, Debit card and smart cards, phone banking, e- banking which is called by net-banking, etc. ATMs have emerged as the most favored channel for offering banking services to the customers in the world.

G. Koteswara Rao & Roshan Kumar [2011][1] Banks can use technology to improve their performance and they can get the sustainable competitive advantage. According to our study, we can conclude that proper integration of BI & KM can help bank to get wide benefits. It includes historical context, not just a shallow examination of what is apparent and easily accessible. Instead of nuggets or pockets of information from corporate databases, it provides a true 360° view of attitudes and behaviors, combines structured and unstructured data, meshes solicited and unsolicited feedback, and keeps a real - time pulse on business (Kadayam,2002). Banks will be able to manage explicit information and there by transform the information to knowledge which in turn can help bank in making better decisions and lead them to be in a better position in contemporary business competitive environment. This integration will not only facilitate the capturing and coding of knowledge but also enhances the retrieval and sharing of knowledge across the bank to gain strategic advantage and sustain in competitive market.

A. Mani & Dr. P.A. Joy [2012][1]in their study suggests that the study concludes that a separate body should be allocated to continuously assess the technological and social changes to inherit the same in the aspect of training. Only customer satisfaction being mantra for success where banking sector is not at all an exceptional case, a psychological aspect of analysis should have in depth attention to attain the customer satisfaction.

Aarti Chahal [2013] [4]in her study suggests that the training in PNB & HDFC is average and there is scope for improvement in training. The perception of employees regarding the Training and Development somewhat differs significantly on the basis of gender and designation. Consequently the recommendations support for the noteworthy of needs assessment of training which will bring a constructive worth in banking sector.

Shri G Gopalakrishna[2013][1]the Executive Director, RBI in his speech at the Inauguration of Academic Block of NITTE Institute of Banking and Finance, NITTE University, Mangalore on November 9, 2013 says that Gone

are the days of conventional banking where things could be predicted with reasonable precision. The changing scenario around us and across the world leads to the conclusion that there is an imminent need to keep abreast of everything under the sun when it comes to banking... This then forms the crux of our interaction today-how can such far reaching changes be brought in the mind-sets of millions of bankers who look at these recent developments with awe, interest, curiosity and also with a determination to surmount the impending challenges. One of the main challenges today is to recruit appropriate work force, train them and also retain them. At the same time, it is imperative that we, as bankers, also do not lose sight of the training needs of those who are with us today, have been with us for a considerable period of time and will continue to extend the same sense of loyalty to the institution that they have served. In order that the banks compete in a healthy manner as also enhance the capabilities of their workforce, the utility of training as an essential tool in today's challenging times cannot be undermined.

III. HYPOTHESIS

The research work was conducted to prove the following assumptions:

Hypothesis 1: That the individual Indian Banks outsource hardware maintenance and support for their branches

Hypothesis 2: That the individual Indian Banks do not provide IT Training to its employees

IV. OBJECTIVES OF THE STUDY

The research work was conducted with the following objectives:

- To observe as to how the selected Indian Banks provide hardware maintenance and support for their branches.
- To find out the nature of deputation of bank employees, in case the hardware maintenance and support is managed internally by the Indian Banks.
- To find out whether the selected Indian Banks provide IT Training to its employees.
- To find out the type of training provided.

V. RESEARCH METHODOLOGY

A. Scope of Research:

Since all banks follow the norms of the RBI and the computerization by banks is done as per the recommendations of committees formed by the Central Bank from time to time, therefore their policy for implementation of the computerization in branches of a particular bank are same anywhere. Therefore, the area of research chosen by the researcher is Meerut city, as it is a well developed city having branches of most of the banks.

B. Population:

The researcher has focused his research only on the scheduled banks. The scheduled banks are SBI & its six Associates, 19 PSU's, OTHER PUBLIC SECTOR BANK- IDBI Bank Limited, 14 OLD PRIVATE SECTOR BANKS, 7 NEW PRIVATE SECTOR BANKS, 36 FOREIGN

BANKS, Regional Rural Banks (Total 82 Banks are there but in UP only 7 are present and in Meerut only 1 with only one branch). There are 53 Urban Cooperative Banks, 31 State Cooperative Banks, 371 District Central Cooperative Banks and 93413 Primary Agricultural Societies in India.

C. Sample Design:

Since the population size is very big it was not feasible to study the entire population, so the researcher decided to go for a sample survey. In order to get a holistic representation, the researcher has used stratified sampling and scheduled banks categorized by RBI have been divided into groups referred to as strata on the basis of the Total Turnover of the banks.

D. Sample Size:

The total number of banks selected by the researcher is 16 (Sample size- 16). The list of selected banks is as shown below:

S. No.	Bank
1	SBI- State Bank Of India
2	PNB- Punjab National Bank
3	CBI-Central Bank of India
4	Syndicate Bank
5	Andhra Bank
6	Punjab & Sind Bank
7	IDBI Bank
8	Federal Bank
9	South Indian Bank
10	Nainital Bank
11	ICICI Bank
12	HDFC Bank
13	Axis Bank
14	Yes Bank
15	Sarva UP Gramin Bank
16	Zila Sahkari Bank, Meerut

Table. 1: List of Banks selected as sample

VI. RESEARCH DESIGN

A. Data Collection:

The Data is collected from primary sources only.

B. Data Collection from Primary Sources:

The researcher prepared a questionnaire containing various questions regarding the computerization in banking for the collection of firsthand information for primary data.

The branch for a bank is selected by the researcher taking into consideration the size and business of the branch, which ensures that the branch will be fully computer equipped as per bank norms. The list of selected branches in Meerut of selected 16 scheduled banks.

Then the researcher conducted well scheduled interviews and the respondents are asked to complete the questionnaire by verbally responding to questions in the presence of the researcher, through a face-to face structured interview.

The Researcher also noted on-the-spot observations by visiting the branches of the banks and using their various products and services like ATM's, Tele-Banking, SMS

Banking, Net Banking, Mobile Applications, POS Terminals, Credit and Debit cards of various banks.

C. Analytical Tool:

The mainly quantitative data produced by this questionnaire was analyzed through Table Computation and GAP analysis. Gap analysis is a tool that helps organizations compares actual state with potential state. At its core are two questions: "Where are we?" and "Where do we want to be?". Gap analysis compares the Current State of banks (as per the collected data) with the Desired State of the banks

(considering the various Guidelines, Rules and Regulations of RBI, the international Guidelines as well as Data from international organizations like World Bank etc.) and it is presented with the help of GAP Analysis Worksheets etc.

VII. ANALYSIS & FINDINGS

Researcher inquired through Q.No.1 about how the hardware maintenance and support for the branches of the bank is provided:

NAME OF THE BANK	Out Sourced/Contractual / Through External Person	Internal Through Bank Employees of IT Department
SBI	√	-
PNB	√	-
CENTRAL BANK	√	-
SYNDICATE BANK	√	-
ANDHRA BANK	√	-
P & S BANK		√
IDBI BANK	√	-
FEDERAL BANK	√	-
SOUTH INDIAN BANK	√ (HCL)	-
NAINITAL BANK	√	-
ICICI BANK		√
HDFC BANK	√	-
AXIS BANK	√	-
YES BANK	√	-
SARVA UP GRAMIN BANK	√	-
ZILA SAHKARI BANK	√	-

Table. 1: Hardware maintenance & support for the branches of the bank

Table No.1 indicates that Punjab & Sind Bank and ICICI Bank are the only banks which provide Hardware Maintenance and support for the bank Internally through Bank Employees of IT Department all the other banks have outsourced it.

In the above context researcher asked about the nature of deputation of bank employee of IT department in case of internal Support:

NAME OF THE BANK	Specifically for a Single Bank Branch	Group of Branches in a Area / City / District / Region
SBI	-	-
PNB	-	-
CENTRAL BANK	-	-
SYNDICATE BANK	-	-
ANDHRA BANK	-	-
P & S BANK	-	√
IDBI BANK	-	-
FEDERAL BANK	-	-
SOUTH INDIAN BANK	-	-
NAINITAL BANK	-	-
ICICI BANK	-	√
HDFC BANK	-	-
AXIS BANK	-	-
YES BANK	-	-
SARVA UP GRAMIN BANK	-	-
ZILA SAHKARI BANK	-	-

Table. 2: Nature of deputation of bank employee of IT department in case of internal Support

Table No. 1 clearly suggests Punjab & Sind Bank and ICICI Bank are the only banks which provide Hardware Maintenance and support for the bank Internally through Bank Employees of IT Department, as per Table No. 1.2 the deputation of bank employees of IT Department of these banks is done for a group of branches of the bank in an Area / City / District / Region taking into consideration the number of branches in that region.

In Q.No.2 the researcher inquired about whether the Bank provides IT Training to its employees? If yes, specify the type of training & compared the responses with desired state:

CURRENT STATE			DESIRED STATE	GAP
NAME OF THE BANK	Does the Bank provide IT Training to its employees	Type of training		
SBI	Yes	Onsite Training, Offsite Training, Online Interactive Training, Training On Demand(ToD) - Online via Text only	As per Institute of development & research in banking, the banks should provide customized training to its employees.	All the banks do not provide some form of training or other but none of the Banks provide Training On Demand (ToD) - Online via multimedia
PNB	Yes	Offsite Training, Training On Demand(ToD) - Online via Text only		
CENTRAL BANK	Yes	Onsite Training, Offsite Training, Training On Demand(ToD) - Online via text only		
SYNDICATE BANK	Yes	Onsite Training, Offsite Training, Training On Demand(ToD) - Online via Text only		
ANDHRA BANK	Yes	Onsite Training, Offsite Training		
P & S BANK	Yes	Onsite Training		
IDBI BANK	Yes	Onsite Training		
FEDERAL BANK	Yes	Onsite Training, Offsite Training, Online Interactive Training		
SOUTH INDIAN BANK	Yes	Offsite		
NAINITAL BANK	Yes	Offsite		
ICICI BANK	Yes	Onsite Training, Online Interactive Training, Training On Demand(ToD) - Online via Text only		
HDFC BANK	Yes	Online Interactive Training, Training On Demand(ToD) - Online via Text only		
AXIS BANK	Yes	Onsite Training, Offsite Training, Online Interactive Training,		
YES BANK	Yes	Onsite Training		
SARVA UP GRAMIN BANK	Yes	Onsite Training		
ZILA SAHKARI BANK	No	-		The bank does not provide any Training to its employees

Table. 3: Gap Analysis Worksheet 1.0

All the banks except Zila Sahkari Bank provide IT Training to its employees. The nature of the training provided differs from bank to bank as is evident from GAP analysis worksheet 1.0. None of the banks provide Training On Demand(ToD) - Online via Multimedia.

VIII. HYPOTHESIS TESTING

The GAP ANALYSIS WORKSHEET 1.0 proves that all the banks except Zila Sahkari Bank provide IT Training to its

employees. The nature of the training provided differs from bank to bank and none of the banks provide Training on Demand (ToD) - Online via Multimedia.

This proves that the Hypothesis 2: “That the individual Indian Banks do not provide provides IT Training to its employees” assumed by the researcher, is almost FALSE.

IX. CONCLUSIONS

The research clearly suggests all banks have outsourced hardware maintenance and support, barring Punjab & Sind Bank and ICICI Bank, which internally provide the same through its employees of IT Department.

Punjab & Sind Bank and ICICI Bank are the only banks which provide hardware maintenance and support for the bank Internally by deputing bank employees of IT Department for a group of branches of the bank in an Area / City / District / Region taking into consideration the number of branches in that region.

All the banks except Zila Sahkari Bank provide IT Training to its employees. The nature of the training provided differs from bank to bank.

None of the banks provide in Training on Demand (ToD) - Online via Multimedia yet.

X. IMPLICATIONS

The banks must continuously assess the technological and social changes to inherit the same in the aspect of training, update their training module and offer customized training preferably via Training on Demand (ToD) - Online via Multimedia as videos.

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