

**WORKING GROUP
ON
CAPACITY BUILDING
REQUIREMENTS OF RRB
PERSONNEL**

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**National Bank for Agriculture and
Rural Development
Mumbai**

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CAPACITY BUILDING REQUIREMENTS
OF RRB PERSONNEL**

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EXECUTIVE SUMMARY

1. In the context of amalgamation of RRBs and the problems being faced by them, the Hon'ble Union Finance Minister, in the 2nd Meeting to Review the Performance of RRBs convened by GOI on 16 July 2007, directed that all officers and staff of RRBs should be given adequate training in computers and other banking skills as also attitudinal training for dealing sympathetically with rural clientele. He also advised all the Sponsor Banks to prepare suitable training modules in consultation with Bankers Institute of Rural Development (BIRD) for the purpose (*para 1.6*).
2. To facilitate the work, Dr. K.G.Karmakar, Managing Director, NABARD set up a Working Group (WG) under the Chairmanship of Shri Amaresh Kumar, Executive Director, NABARD with representatives from Sponsor Banks and RRBs with Shri V.S.Bhadauria, Officer on Special Duty, BIRD as Member Secretary (*para 1.7*).
3. The WG was required to comprehensively study the training needs of RRB personnel and identify the key areas requiring training intervention. Assessing the adequacy of existing training capacity, identifying the areas which can be attended to at the National, State and RRB/Sponsor Bank level and preparing a roadmap for addressing the immediate training needs of RRB staff were other responsibilities (*para 1.8*).
4. The WG reviewed the existing arrangements and studied the training needs by visiting a few RRBs, Training Establishments (TEs) and holding discussions with the Top Management and staff of the RRBs besides collecting information through questionnaires. The WG took into consideration the recommendations of various committees on training related aspects (*para 1.9*).

Present Status of Capacity Building

5. Only 39 per cent of officers, 9 per cent of clerical staff and 5 per cent of subordinate staff received training every year. The training requirements of the subordinate staff were largely ignored with 69 per cent of them being trained only after a gap of five years or more. Looked at from another angle, the Scale I officers, clerical staff and sub-ordinate staff, who together constitute 83 per cent of total staff and represent the first point of contact for customers, of which only 26 per cent were trained every year i.e., this segment received training on an average once in four years. The only consolation is that about 50 per cent of staff occupying the position of Branch Managers is being trained every year (*para 2.6*).

6. The training systems in RRBs i.e., having a Training Policy, training budget, training rosters etc., are very weak. Only 53 per cent of reporting RRBs had training rosters, while only 47 per cent had annual training budgets (*para 2.3*).

Areas Covered by Existing Training arrangements

7. Both officers and clerical staff received training in business areas, HR and Information Technology. In addition, officers received training on Planning and Internal Controls, while clerks received training on Accounting Procedures. The subordinate staff received training on Banking Trends, HR, Discipline and Staff matters, NPA recovery and Microfinance (*paras 2.9, 2.10,2.11*).

Training needs of RRBs as Assessed by the WG

8. The Board of Directors need to be sensitised about the major functional areas of RRBs such as Rural Finance, Profit Planning, Internal Control, Investments, Corporate Governance, etc. in capsule formats (*para 3.4*).
9. The Chairmen need training in functional areas, especially, Investment Management, Asset Liability Management, IT, Personnel Management and Industrial Relations, Motivation and Leadership as also in Corporate Governance. Disciplinary Procedures, Consortium Financing and Foreign Exchange (*para 3.5*).
10. The General Managers / Regional Managers/ Head of Controlling office/ HO departments also need to be trained in functional areas and in High-value Advances, Financial Inclusion and Internal Control System (*para 3.6*).
11. The training for officers should focus on Profit Planning, Asset Liability Management, NPA Management, Agriculture/Project Lending, Business Development, Investment Management, NFS Lending, Financial inclusion, Branch management and newer avenues such as NRE/NRO deposits, Non Fund Business and HR (*para 3.7*).
12. The clerical staff needs to be trained in Business Development, Basic Computer Skills, NPA Management, Customer Relationship Management, Basics of Accounting and HR (*para 3.8*).
13. For the subordinate staff, basic literacy on computer maintenance, SHG lending, NPA and Recovery Management, and inputs on HR areas such as motivation, attitude and personality development are recommended (*para 3.9*).
14. The training needs which have to be addressed immediately, i.e., within 6 months for officers and clerical staff include business development and diversification, soft skills

including customer service, training in banking software and basic computer skills. The officers need to be trained in credit appraisal and monitoring also. The subordinate staff are required to be trained on basic literacy on computers such as booting, shutting down, changing printer cartridges, etc. They need to be given training in soft skills including customer service (*para 3.11*).

Existing Training Arrangements and Training Gap

15. The training requirements of officers, at present, are taken care of by BIRD, RTCs of NABARD at Mangalore and Bolpur, CAB, IIBM, NIRD and the Training Establishments of Sponsor Banks. Only a few Training Centres of the Sponsor Banks have been providing training facilities for the clerical staff. Further the subordinate staff are not being provided training at any of these Training Establishments (TEs) (*para 4.03*).
16. The Apex level TEs and sponsor banks' TEs train around 15 per cent of officers of RRBs. The clerical and sub-ordinate staff receive training but at a very low scale (*para 4.36*).
17. If we go by a policy of training officers once in two years and clerical and subordinate staff once in 3 years, about 16000 officers and 13000 clerical and subordinate staff have to be trained every year. At current levels, 12600 officers and 5500 other staff are being trained every year. The balance of staff could be trained by increasing the coverage of officers by 20 per cent through on-location and in campus programmes by TEs and setting up RBTCs by RRBs for other staff. RBTCs could be set up utilising spare capacity of space if any available in their offices or by hiring space from outside (*paras 4.39, 4.40 and 4.41*).

Roadmap

18. Development of standardised training modules, training toolkits and conducting training of trainers should receive top priority. Towards this, action has to be taken by Apex level TEs and Sponsor Banks at National and Sponsor Bank level, respectively (*paras 5.3 and 5.04*).
19. On the pattern of training programmes conducted for the Secretaries of PACS and staff of District Central Cooperative Banks while implementing the recommendations of Prof. Vaidyanathan Committee, in order to externalize the job of conduct of trainings, the use of retired officers of RRBs /sponsored banks can be made by coverage under TTPs. National Level TEs, BIRD may prepare module for TTPs for

- coverage of training programmes as envisaged in the report of Dr. Rangrajan Committee on financial inclusion. (*para 5.3.1*).
20. The initiatives needed at the RRB level shall include developing a comprehensive training policy and start implementing the same within a period of 1 year besides establishing mechanisms for regular training needs identification, feedback on training and coordination with various training establishments. The top management and board of directors have to review training activities regularly. RRBs may have to have their own training establishments (*para 5.3.3*).
 21. RRBs should also have a strong cadre of internal resource persons (IRPs) to provide training in areas highly specific to the banks concerned. A system for impact evaluation of programmes conducted in-house as well as by other training establishments has to be firmly established. Training database also needs to be a part of organisational MIS (*para 5.7*).
 22. NABARD may monitor the development of standardised modules, training toolkits and implementation of training interventions by the Apex level TEs and Sponsor Banks' TEs. It may also ensure conduct of Annual Conference of TEs by BIRD. It may also modify its Quarterly Progress Report called for from RRBs to incorporate training related achievements and publish the same (*paras 5.9 and 5.10*).
 23. The whole hearted support of all the stakeholders is a pre requisite for the implementation of the above roadmap (*para 5.11*).
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Introduction

Background

1.1 Regional Rural Banks (RRBs) set up in 1975 were mandated to make available financial services, especially, credit services to the rural poor. However, later on their structural, organisational and managerial weaknesses raised issues relating to their effectiveness as also sustainability which necessitated a number of policy initiatives including doses of recapitalization for broad basing their operations. Most of the RRBs had responded well to these initiatives by wiping off their losses and posting profits. However, concerns about their role in the rural economy could not be sufficiently addressed by the reform process, initiated since 1995-96. Their share in total institutional rural credit remained constant at nine per cent for almost two decades of their existence. They remained relatively small entities, co-existing with multiple players and lacked the focus required for being aligned to the economic needs of the rural population. Against this backdrop, amalgamation of RRBs into larger entities was initiated from September 2005. The institutions so emerged after amalgamation were expected to have a stronger presence and capabilities to provide sustained financial and developmental services to the rural sector.

1.2 As a result of the amalgamation, the number of RRBs has been reduced from 196 as on 31 March 2005 to 92 as on 31 December 2007. The immediate challenge that emerged out of the amalgamation process has been one of cultural and emotional integration of the erstwhile units into a new entity. The other challenges that were thrown up include business development, diversification of loan portfolio, taking up newer business avenues, enhancing outreach through use of technology and the reported reluctance of the staff to move out of the comfort zone of their own erstwhile operational area. Post amalgamation, while the load, nature and urgency of work in RRBs have all undergone changes, the staff strength and quality of staff of most of RRBs have remained almost the same. A need was, therefore, felt to take up immediately capacity building efforts to enable them to tackle the immediate challenges.

1.3 In order, therefore, to have a re-look at the present staff strength and other human resource management aspect, the Government of India vide Notification No.F/3/9/2007-RRB dated 23 May 2007 set up a Committee to Formulate Comprehensive Human Resource Policy for RRBs (Chairman Dr. Y.S.P.Thorat, the then Chairman NABARD). The Committee has since submitted its report and a set of recommendations to the Government of India in October 2007. It is expected that the implementation of the recommendations of Dr. Thorat Committee will address all the HR related issues (other than capacity building).

1.4 The capacity building efforts in RRBs further assume importance as the RRBs are the premier Rural Financial Institutions (RFIs) with the potential to increase their outreach in rural areas. They have a network of around 15,000 branches with nearly 90 percent of them being rural branches. Nearly 70 per cent of their employees are posted in rural areas; their share in rural branches works out to 37 per cent; share in rural deposit accounts is an impressive 31 per cent and share in rural loans outstanding accounts works out to 38 per cent. However, their share in aggregate deposit amount works out to only 19 per cent and that of aggregate loans outstanding in rural areas works out to only 21 per cent. Analysis of the data available for 2000-01 vis-à-vis 2006-07 indicates that while the outstanding advances during the period have increased from Rs.15814 crores to Rs.48492 crores, registering a growth of 207 per cent, the number of outstanding loan accounts has increased to 165 lakh from 117 lakh, registering a growth of 41 per cent only. This clearly indicates that the increase in borrower accounts is not commensurate with the increase in the quantum of advances. Given the fact that the cooperative credit structure is on the path of revival and reform, if the financial needs of the rural community are to be met and inclusive growth has to be achieved, strengthening of the RRBs would be a natural precursor and an immediate need.

1.5 Various Committees set up to examine HR and other related matters of RRBs have generally observed that capacity building in terms of imparting skill, knowledge attitudinal changes has been one of the major areas of neglect in RRBs. These Committees have stressed on the need for RRBs to develop appropriate training interventions to develop new skills and attitudes and upgrade the existing skills of their staff as part of their Human Resource Development. The Committee on Manpower Norms for RRBs (Dr. K P Agrawal 2000) had pointed out that the

changes in operations such as Non-Target Group (NTG) lending, NPA Management, New Products Development, Funds and Investment Management, Internal Control System, MIS and Computerisation, Alternate Delivery System, etc. have led to new training needs and appropriate training interventions to develop new skills and attitudes and upgradation of the existing skills need to form an intimate part of Human Resource Development. The Working Group to suggest Amendments to the RRBs Act (Chalapathi Rao, 2002) has emphasized that a comprehensive programme for training with emphasis on general management skills be provided to all officials of RRBs. The Task Force on Empowering RRB Boards for Operational Efficiency (Dr K G Karmakar, 2007) has indicated that capacity building is a major area of neglect in RRBs due to several factors. The Task Force observed that in tune with the changing client needs, the training needs of these organisations have also changed. It has furnished an indicative list of training programmes for not only all cadres of staff of RRBs but also for the top management consisting of Chairmen and General Managers. It has also recognised the need for an in-depth study on the capacity building requirements of RRBs. The Committee to Formulate a Comprehensive Human Resource Policy for RRBs (Dr Y S P Thorat, 2007) has also reiterated that capacity building of staff has been one of the major bottlenecks in RRBs that has prevented them from responding effectively to their vastly changed business roles.

1.6 In the 2nd Meeting to Review Performance of RRBs convened by the Ministry of Finance, Government of India on 16 July 2007, the Hon'ble Union Finance Minister desired that all officers and staff of RRBs should be given adequate training in computers and other banking skills including new products, at regular intervals. He insisted on attitudinal training for dealing sympathetically with rural clientele. It was decided in the meeting that Sponsor Banks, in consultation with BIRD, would formulate training modules for conducting programmes for RRBs at their training centres. Training could also be provided at Regional / Zonal offices of Sponsor Banks when staff is not in a position to travel to far off training centres. RRBs could also approach training institutes of other Sponsor banks in case of problem of space or distance.

Constitution of Working Group

1.7 In the above context Dr. K.G.Karmakar, Managing Director, NABARD set up a Working Group under the Chairmanship of Shri Amaresh Kumar, Executive Director, NABARD to look into the capacity building requirements of RRB staff **(Annexure)** The composition of the Working Group was as under :

1	Shri. Amaresh Kumar Executive Director, NABARD, Mumbai	Chairman
2	Shri Pankaj Pandit Chief General Manager, NABARD, Mumbai	Member
3	Dr. V K Verma General Manager, Bank of Baroda, Mumbai	Member
4	Shri Akshay Kumar General Manager, Canara Bank, Bangalore	Member
5	Shri M K Pareek Chairman, Narmada Malwa Gramin Bank, Indore	Member
6	Shri A B Jog Chairman, Uttar Bihar Kshetrya Gramin Bank, Muzaffarpur	Member
7	Shri M Dhananjaya Chairman, Karnataka Vikas Grameena Bank,	Member
8	Shri V S Bhadauria, Chief General Manager, NABARD/Officer on Special Duty, BIRD, Lucknow	Member Secretary

Terms of Reference

1.8 The Working Group was expected to look into the following matters and make appropriate recommendations:

1. Comprehensively study the training needs of RRB personnel both officers and other staff and identify the key areas requiring training intervention.
2. Study the existing training capacity available for training of RRBs and assess its adequacy as per the training requirements and identify the areas which can be attended to at the National, State and RRB/Sponsor Bank level
3. Suggest alternatives for training of RRB staff in areas where the existing training capacities are not sufficient.

4. Prioritise the training and capacity building exercise for RRB staff and suggest a roadmap for addressing the immediate training needs.
5. Suggest measures needed to strengthen the existing training institutions providing training to RRB personnel.

Methodology

1.9 The Working Group adopted the following methodology to assess the training needs of RRB personnel at different levels and to suggest appropriate training interventions for them.

- Review of recommendations of various committees on RRBs set up earlier
- Analysis of data relating to business performance and staff of RRBs
- Collection of bank and employee specific data on training and training needs respectively through questionnaires,
- Focus Group Discussions with staff of select RRBs and interaction with various stakeholders such as Sponsor Bank officials, Nominee Directors of NABARD on the Boards of RRBs, etc.

1.10 Feedback/views were sought from RRBs, Sponsor Banks, the Training Establishments of Sponsor Banks and the Regional Offices of NABARD through questionnaires specifically designed for each of them. Responses were received from 60 RRBs, 20 Sponsor Banks, 52 Training Establishments of 13 Sponsor banks and all the Regional Offices of NABARD. Questionnaire for the RRBs included separate formats for Chairman, GMs, HO / Branch officials, clerical staff and subordinate staff so as to get cadre-wise feedback on the training needs. The responses from 60 RRBs include responses from 102 Chairmen/GMs, 185 HO officials, 453 Branch level functionaries, 369 clerical staff and 246 subordinate staff. The responses were analysed and appropriately incorporated in the relevant chapters.

1.11 In order to hold discussions with focus groups, three sub groups of the Working Group undertook visits to the Eastern, North Eastern, Western and Southern Regions of the country during January 2008. These sub-groups visited seven select States and had discussions with Chairmen/General Manager of 17 RRBs, Officers/ clerical staff/ subordinate staff of five RRBs and visited two branches of RRBs to

obtain customers' feedback on the existing services provided by RRBs as well as their expectations were taken. The selection of RRBs was done on a representative sample of amalgamated/standalone banks, profit earning/loss incurring banks of various sizes. The sub-groups also visited four training centres of sponsor banks, one training centre of a RRB, the Indian Institute of Bank Management, Guwahati and the National Institute of Rural Banking, Bengaluru. The Chief General Managers of NABARD Regional Offices, select DDMs and Nominee Directors of NABARD on the boards of RRBs of the seven states were also associated with the discussions.

Meetings/Consultations of the Working Group

1.12 The Working Group held three meetings on the dates indicated below:

Meeting	Date	Venue
I	13 December 2007	Mumbai
II	18 February 2008	Lucknow
III	19 April 2008	Lucknow

Structure of the Report

1.13 The report is organised into five chapters including this introductory chapter outlining the background and methodology adopted by the Working Group. Chapter 2 reviews the present status of the capacity building efforts in RRBs. Chapter 3 deals with the training needs of RRBs as obtained from RRBs, Sponsor Banks, various Training Establishments and other stakeholders. Chapter 4 reviews the existing arrangements for training of RRB staff and analyses the adequacy or otherwise of the existing training capacity available, estimates the gap in meeting the training requirements of RRBs and discusses the various alternatives for training of RRB staff. Chapter 5 presents a roadmap for addressing the immediate as well as the long term training needs of RRBs staff.

Acknowledgement

1.14 The Working Group (WG) is thankful to Dr. K.G.Karmakar, Managing Director NABARD for entrusting the study to the WG. The WG had an opportunity to explore and understand the forces that were shaping not only the RRBs but also the entire rural banking system and suggest various measures for developing the capacities of the RRB personnel.

1.15 The understanding of the training requirements was possible only on account of the discussions and interactions that the WG had with RRBs, Sponsor Banks' Training Establishments and senior officials of NABARD during its visits to various states. The WG is thankful to the Chairmen of Madhya Bihar GB, Paschim Banga GB, Assam GVB, Baroda Rajasthan GB, Dena Gujarat GB and Pandyan GB for sharing their views as also for enabling discussions with all cadres of their staff. The WG also appreciates the Chairmen of Bangiya GB, Langpi Dehangi GB, Jaipur Thar GB, Hadoti GB, Baroda Gujarat GB, Saurashtra GB, Pragathi GB and Krishna GB for giving their views on training related areas.

1.16 The WG would like to make a special mention of the visit to the Rural Banking Training Centre set up BY Andhra Pragathi GB at Anantapur which enlarged the perspectives of the WG. The WG is grateful to the Chairman, General Managers of the RRBs and the Faculty Members of its training center.

1.17 The WG is obliged to the Principals of the Regional Training Colleges of NABARD at Mangalore and Bolpur, Zonal Training Centre, CBI, SBI Learning Centre, Guwahati, BOB Training Centre, Jaipur and Staff Training College, IOB, Madurai for their feedback during its visit to the respective centres/colleges. The Group is also highly indebted to the Director, IIBM, Guwahati and the Principal, NIRB for the consultations it had with them.

1.18 The WG is thankful to all the Sponsor Banks for the feedback given by them on the training requirements of RRBs and also for ensuring responses from their Training Establishments and Sponsored RRBs.

1.19 The WG would like to place on record the ground level feedback given by the Chief General Managers of the Regional Offices of NABARD of Assam, Bihar, Gujarat, Karnataka, Rajasthan, Tamil Nadu and West Bengal and the Nominee Directors of the NABARD on the Boards of RRBs. These Regional Offices had made

excellent arrangements during visits of the WG to their States. The Group is also thankful to all the Chief General Managers of these Regional Offices of NABARD for promptly responding to the questionnaires and giving their views on the capacity building requirements of the RRBs operating in their respective States. The WG also appreciates the support given by Shri G.L.Tawte, Chief General Manager, Shri M.V.Ashok, General Manager of Institutional Development Department and Shri K.K.Guha, General Manager of Human Resources Development Department of NABARD, Head Office, Mumbai.

1.20 The WG would like to specially acknowledge the efforts put in by a core team of officials at BIRD for their untiring efforts in providing all the necessary support for preparation of the report. The WG would specially like to mention the leadership provided to the core team by Shri S Balan, Joint Director, BIRD. The WG also acknowledges with thanks the contributions of Smt S Vijayalakshmi, S/Shri Vivek Sinha, R K Thanvi and R V Swamy, Faculty Members, BIRD for providing essential support as also Shri K R Iyer, Faculty Member, BIRD for providing necessary inputs.

Capacity Building of RRB staff - Present Status

The present chapter makes a review of the capacity building efforts of the RRBs covering the systems such as training policy, number of personnel trained, the frequency of training, training budget etc., that exists in the RRBs. The existing training and capacity development approaches have been reviewed based on information collected from various stakeholders through questionnaires, discussions, etc. This forms the backdrop against which the WG has examined the various training related aspects as mentioned in the Terms of Reference.

Human Resource Profile

2.1 The position of manpower that existed in RRBs as on 31 March 2007 is presented in Table 2.01. The staff comprises officers of RRBs, clerical staff and subordinate staff and staff deputed from Sponsor Banks. Out of the total staff 44 per cent were officers, 34 per cent clerical staff and 22 per cent subordinate staff. Among the officers, 62 per cent were Scale I officers, 34 per cent were scale II and 4 per cent were Scale III officers. 90 per cent of the staff was posted in branches and the balance equally divided between Head Offices (5 per cent) and Controlling Offices (5 per cent).

Table 2.01: Manpower in RRBs as on 31 March 2007

Details	(Numbers)			
	Head Office	Regional office	Branches	Total
Scale III	278 (9%)	410 (11%)	499 (1%)	1187 (2%)
Scale II	852 (27%)	665 (18%)	9210 (14%)	10727 (15%)
Scale I	696 (22%)	1078 (29%)	17937 (28%)	19711 (27%)
Total officers	1826 (57%)	2153 (58%)	27646 (42%)	31625 (44%)
Clerical staff	935 (29%)	1061 (28%)	22678 (35%)	24674 (34%)
Subordinate staff	439 (14%)	511 (14%)	14834 (23%)	15784 (22%)
Total	3200	3725	65158	72083

Source: NABARD

2.2 Owing to the poor financial health of the RRBs, a restraint on fresh recruitment of staff was placed during the year 1993-94. Although the restraint was removed by the Gol in 2004, many RRBs were not in a position to recruit staff in view of the Agrawal Committee norms (Committee on Manpower Norms for RRBs, 2000) as modified by the Gol, which prescribed an overall ceiling on total number of staff based on a norm of 4 staff per unit office for the RRB as a whole.

Training Systems

2.3 The group did not observe uniformity in the training system of RRBs. Of the 60 RRBs that responded to the questionnaire, 24 per cent had formulated a training policy, 34 per cent of them had a separate training cell and 53 per cent maintained training rosters. RRBs, in general, did not have a separate training department that can effectively identify the training needs of staff and identify suitable staff based on such needs. Matters relating to training such as nomination of officers, maintaining of training cards, etc were normally dealt with by the HRD/personnel department usually in a non structured manner. Matters relating to training were discussed by the Boards of very few RRBs. These details are presented in Table 2.02 below.

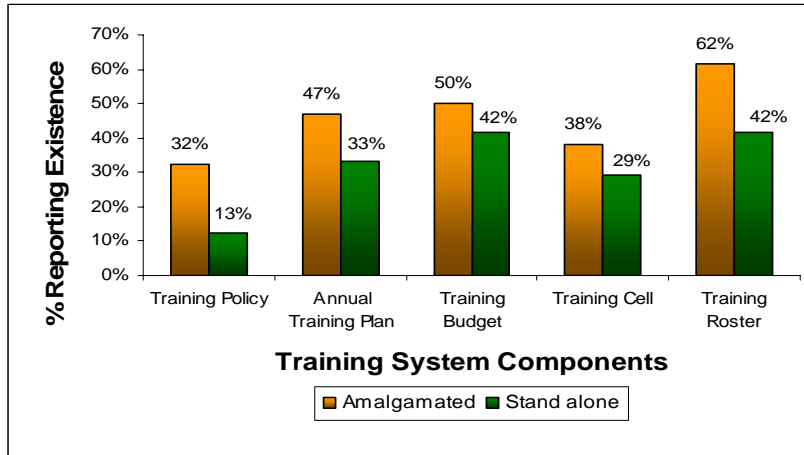
Table 2.02: Training System in RRBs

Training System Components	RRBs Reporting Existence	
	Number	Percent
Training Policy	14	24
Annual Training Plan	24	41
Training Budget	27	47
Training Cell	20	34
Training Roster	31	53

2.4 Planning for training of staff is not given adequate attention in most of the RRBs. An annual training plan with a separate budget provisions was being prepaid by only 41 per cent of RRBs. The remaining RRBs approach training on a piecemeal basis and meet the expenditure incurred on training out of their general budget provisions.

2.5 A greater proportion of amalgamated RRBs have indicated existence of the five components of a sound training system (Table 2.02) as compared to the standalone RRBs (Figure 2.01). This points to the increasing awareness among the amalgamated RRBs about the importance of having a sound training system.

Figure 2.01: Existence of Training System Components



Training Coverage

2.6 The frequency of training provided to the personnel of the sample RRBs is presented in Table 2.03. Whereas 39 per cent of the Officers were being trained at least once in two years, only 9 per cent of the clerical staff and 5 per cent of the subordinate staff received training at similar intervals. The training provided to subordinate staff was considered inadequate with 69 per cent of them being sent for training after a gap of five years or more.

Table 2.03: Frequency of training to staff in sample RRBs

Frequency of Training	Officers	Clerical staff	Subordinate staff
Once a year	10%	2%	3%
Once in 2 years	29%	7%	2%
Once in 3 years	31%	22%	3%
3-5 years	16%	26%	23%
5 years & above	14%	43%	69%

2.7 Training across various categories of staff of RRBs indicated that in respect of most of the cadres, the proportion of staff trained has reduced during the period 2004-05 to 2006-07. One possible reason could be the amalgamation process that was set in motion in 2005-06. While the percentage of Chairmen trained was higher

than the percentage of other staff trained, considering that Chairmen are the policy makers, the proportion of Chairmen trained was not adequate. Further, less than 50 per cent of the GMs/RMs/Chief Inspectors did receive training during the above period. This gap is required to be addressed, especially in the post amalgamation scenario wherein these officers are required to control the Head Office Departments/ Regional Offices/ Inspection Department.

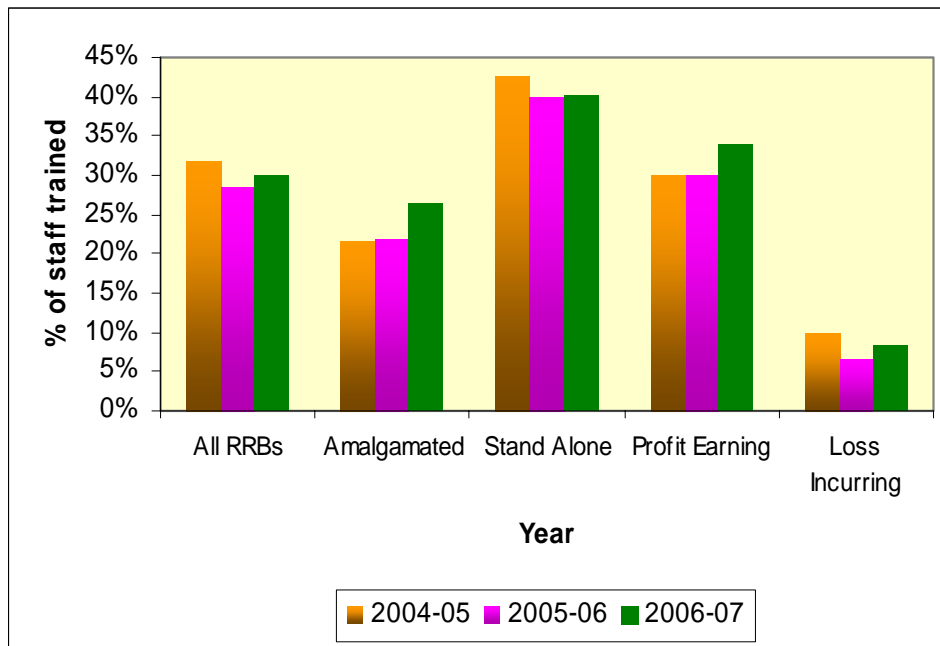
Table 2.04: Training of RRB Staff – Proportion Trained

Category of Staff	% of Staff Trained		
	2004-05	2005-06	2006-07
Chairman	74%	66%	67%
GMs/RMs/ Chief Inspectors	54%	51%	48%
Scale III	58%	54%	59%
Scale II	58%	47%	49%
Scale I	42%	34%	37%
Total Officers	48%	39%	42%
Of the above, Branch Managers	56%	48%	50%
Clerk-cum-cashiers	17%	21%	24%
Subordinate staff	9%	9%	10%
Total	35%	31%	33%

As may be seen from the above Table, the proportion of Scale I officers, clerical staff and subordinate staff trained was not adequate. As already seen from Table 2.01, these three cadres of staff together form 83 per cent of the total staff of RRBs. They are the first point of contact with the banks' customers and hence require to be equipped with adequate knowledge, skill and attitude to effectively deal with their customers.

2.8 It was observed that the loss incurring banks adopted a conserving approach for training their personnel with only 10 per cent of them being trained in 2004-05 which further reduced to 8 per cent in 2006-07. In contrast, the profit earning banks trained 30 per cent of their staff in 2004-05, which increased to 34 per cent in 2006-07 (Figure 2.02).

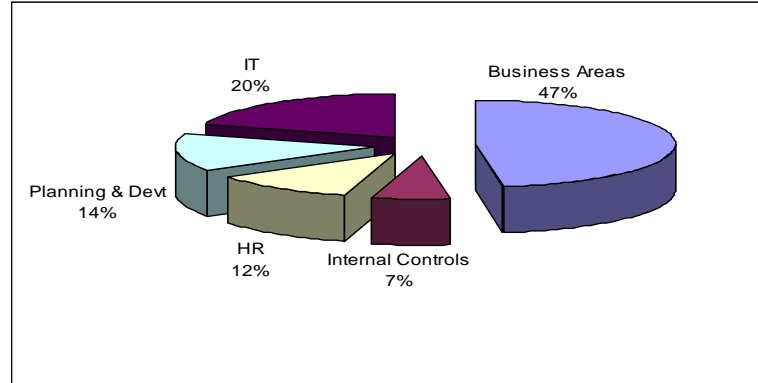
Figure 2.02: Percentage of Staff trained during 2004-07



Training Areas

2.9 The major areas in which the Officers of the sample RRBs have been trained during the last three years (Fig. 2.03) are Business areas, Information Technology (IT), Planning, HR and Internal Control. Business areas (47 per cent) include business development, Branch Management, Agriculture, Retail lending, SHGs and Non Farm Sector. The main areas in IT (20 per cent) are Basic computer skills, software based training, Network management, IS audit. Human Resource Management (14 per cent) includes areas such as personality development, MDP, Attitude development, Leadership and Motivation. The training areas in Planning and Development (12 per cent) are profit planning, NPA management, ALM, Investment management while Internal Control (6 per cent) covers Inspection, House keeping, Accounting Procedures and others.

Figure 2.03: Areas of Training -- Officers



2.10 The major areas of training for clerical staff (Fig 2.04) are Information Technology (44 per cent), Business areas (32 per cent), Human Resource Management (15 per cent), Accounting Procedures. The sub ordinate staff are being provided training (Fig 2.05) in the areas of Customer Service (27 per cent), Reorientation & Banking Trends (18 per cent), HR (17 per cent), NPA and recovery management (10 per cent), Disciplinary and staff matters (8 per cent) and Microfinance/ SHG lending (7 per cent). Discussions held by the sub groups of the Working Group during their field visits to RRBs reveal that the RRBs were treating workshops attended by the clerical and subordinate staff as training received by these staff.

Figure 2.04: Areas of Training – Clerical staff

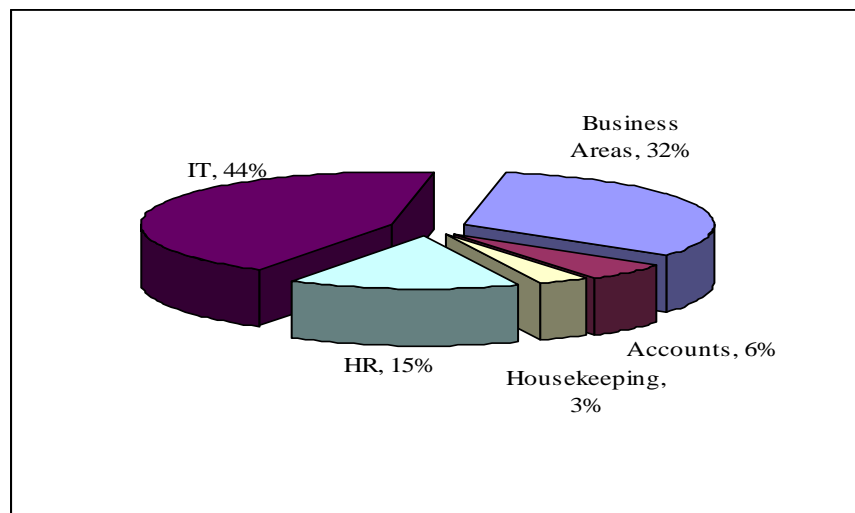
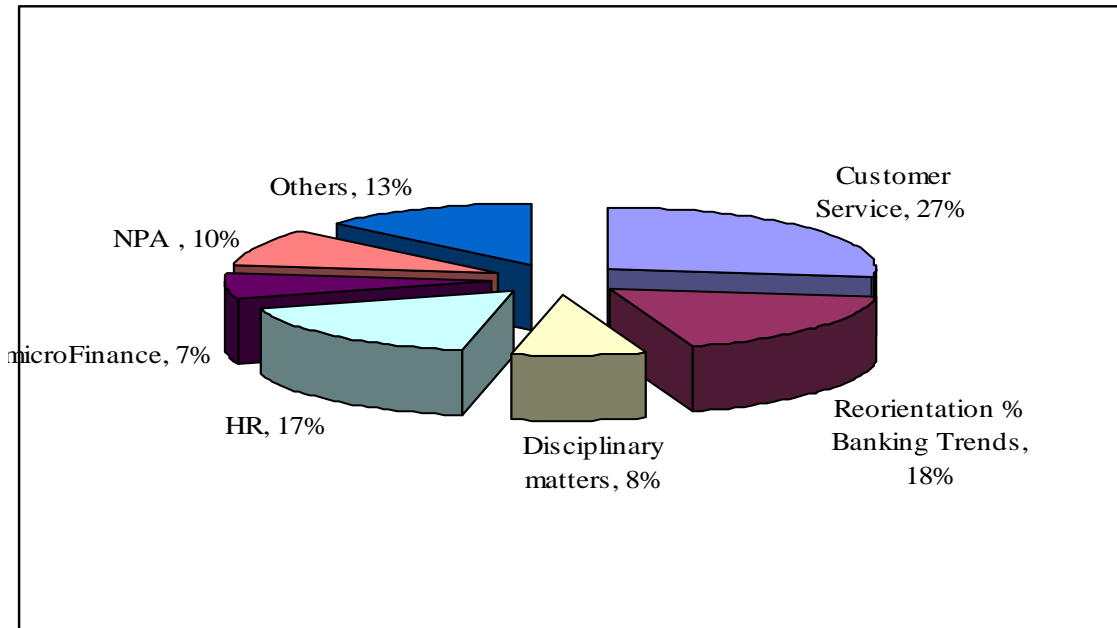


Figure 2.05 : Areas of Training – Subordinate staff



Conclusion

2.11 It would be observed from the foregoing that training did not receive structured attention by RRBs. The data furnished by the RRBs showed that 42 per cent of officers, 24 per cent of clerical staff and 10 per cent of sub ordinate staff only were trained annually. In other words, while officers were trained once in 2 to 3 years, clerical staff once in 4 years and sub ordinate staff once in 9 to 10 years. The training systems in RRBs were also not adequate with only 24 per cent of RRBs having a training policy and 34 per cent with an exclusive training cell. Only 41 percent of RRBs drew an annual training plan and 47 percent a training budget. Training rosters were maintained by only 53 percent of the RRBs which points to lack of MIS related to training. RRBs were concentrating their training efforts mainly on areas such as Business (48 per cent), IT (20 per cent), Human Resource Management (14 per cent), Planning (12 per cent) and Internal Control (6 per cent).

Training Needs of RRBs

In terms of the Term of Reference No. 1 the Working Group was required to study the training needs of RRB personnel both officers and other staff and to identify the key areas requiring training intervention. Accordingly, this chapter attempts to do so.

Challenges faced by RRBs in the immediate future

3.1 Feedback/views were elicited from RRBs, Sponsor Banks, Training Establishments, Rural Banking Training Centres (RBTCs), NABARD and NABARD Nominee Directors on the Boards of RRBs on their perception about the challenges that need to be addressed by RRBs in the immediate future. The challenges identified were as follows:

- a. How to evolve as the mainstream rural financial institution of the economy,
- b. How to ensure that lending to the rural sector remains viable
- c. How to facilitate inclusive growth in bank through RRBs' business
- d. How to compete effectively with other players in rural lending sector

Areas of concern

3.2 The areas of concern that emerged from the responses of Branch Managers is indicated in Table 3.01.

Table 3.01: Areas of Concerns expressed by Branch Managers

Business Area	Areas of Concerns	% of BMs
Deposit mobilization	Inadequate growth	55%
	Declining market share	32%
	High cost of deposit	26%
Loan sanction and disbursement	Low level of disbursement	25%
	Lack of diversification	40%
	Documentation-lack of awareness	25%
	Lack of appraisal skills	52%
Investment of funds	Lack of funds	23%
	Lack of awareness about avenues	67%
Recovery of loans	Poor recovery	21%
	Poor follow up	45%
	Poor systems and procedures	46%

Business Area	Areas of Concerns	% of BMs
House keeping	Lack of awareness of systems	42%
	Absence of proper MIS	41%
	Delay in submission of MIS	21%
Overall morale/motivation level of staff	Low motivation	31%
	Role not clear to staff	32%
	Lack of strategic planning capacity	54%

(Note : % of BMs denotes the percentage of Branch Managers who identified the relative factor as area of concern)

3.3 Further, Chairmen and General Managers expressed concern on following areas.

- (i) Low level of motivation amongst staff
- (ii) Low use of Information Technology resulting in migration of institutional deposits away from RRBs
- (iii) Lack of diversification of business especially loan portfolio
- (iv) Lack of credit appraisal skills
- (v) Lack of marketing skills
- (vi) Poor Internal Control System

3.4 All the above factors were considered as roadblocks in meeting the challenges being faced by RRBs and required appropriate training interventions of the above six areas of concern those listed at (i) – (vi) were identified as areas that ought to be addressed immediately, say, within a time span of six months.

Competencies & skills required

3.5 In view of the challenges before RRBs and the areas of concern identified, there is a need to equip the RRB personnel with necessary Knowledge, Skills and Attitude (KSA) in tune with the business needs of their organisation. The KSA which have to be developed across all cadres of staff are as under:

Table 3.02: Competencies & Skills required

SI	Challenges/ Areas of Concern	Competencies & skills required
1	Emerging as stable & strong financial institution <ul style="list-style-type: none"> • Lack of strategic planning skill • Poor internal control system 	<ul style="list-style-type: none"> i. Develop vision/ mission ii. General bank management iii. Profit planning & strategising iv. Costing & pricing of products v. Business development skill vi. Resource mobilisation & deployment vii. Risk management viii. Effective internal control system ix. Human resource management
2	Lending to the rural sector viably <ul style="list-style-type: none"> • Lack of credit appraisal skill • Lack of diversification of loan portfolio 	<ul style="list-style-type: none"> i. Appreciation of the role of RRBs in rural development ii. Credit management iii. Portfolio analysis iv. Credit monitoring & follow up
3	Inclusive growth in business <ul style="list-style-type: none"> • Inadequate outreach 	<ul style="list-style-type: none"> i. Customer service ii. Customer relations management iii. Financial inclusion concept
4	Effectively compete with others <ul style="list-style-type: none"> • Lack of IT based services • Lack of marketing skill 	<ul style="list-style-type: none"> i. Communication skill ii. Marketing skill iii. Increased use of information technology iv. Market share analysis
5	Low level of motivation of staff <ul style="list-style-type: none"> • Managing cultural and emotional integration effectively and quickly 	<ul style="list-style-type: none"> i. Skill for motivating self and others ii. Leadership skill iii. Role clarity and efficacy iv. Developing of ownership and effective delegation

Training Needs of different levels of Functionaries of RRB Board of Directors

3.6 The importance of the Board of Directors in providing superintendence, direction and guidance will continue to be vital. The Board of Directors is primarily concerned with leading the bank in a transparent and effective manner, overseeing strategy and policy development as well as providing direction and effective control to the management of the bank. It needs to play a proactive role in understanding the problems confronting the bank and guiding the top management on key areas relating to the business of the bank, leaving the day-to-day management and administration to the Chief Executive Officer and senior staff. Directors need to have a deep understanding of their roles and responsibilities. Therefore appropriate training of the directors becomes a serious issue. The working Group identified the areas of training for the Board of Directors. The same is provided in the table

overleaf (Table 3.03). Major fields in which basic competencies and skills are required by board members of RRBs include:

Table 3.03: Areas of Training for the Board of Directors

Competencies Required	Areas of training
Principles underlying vision and mission	<ul style="list-style-type: none"> • Role of RRBs in rural development • Inclusive growth
Functions of the Board of Directors	<ul style="list-style-type: none"> • Roles and responsibilities • Corporate governance • Organizational and management structure • Financial and non financial control • Resource mobilisation and image building • Disciplinary matters
Business development strategy	<ul style="list-style-type: none"> • Objectives, strategies and business plans of the RRB • Risk profile of the RRB • Recovery and NPA Management • Avenues for Profit Generation – Investments, non fund business, etc. • Important sectoral framework conditions

3.7 While the role of the Board of Directors of RRBs continues to be vital for growth of RRBs and effective tool for ensuring inclusive growth in the rural India, the training being provided at present to RRB Director was not considered adequate by the Working Group. Hence it may be necessary to design / redesign training formats for the Board of Directors of RRBs in the areas identified in Table 3.03.

Chairman

3.8 Feedback from the Chairmen of RRBs indicated preference for training in investment management, risk management, asset liability management and IT architectures, Personnel Management and Industrial Relations, motivation and leadership, etc. However, the Working Group is of the view that Chairmen of RRBs may be trained in corporate governance, consortium financing and foreign exchange also to effectively address the areas of concern identified in preceding paragraphs of this Report.

General Manager/Regional Manager/Head of Controlling Office/HO Department

3.9 Senior officers of RRBs were being trained at least once a year. The areas of training covered Leadership, Motivation, Industrial Relations, Profit Planning, Investment Management, ALM and Business Development and an overview of the function and working of RRBs. The feedback received from these officers indicated a felt need for training in functional areas as well. However, these officers constitute an important link between the Chairman on one hand and Branches on the other and are responsible for effective supervision/ implementation/monitoring of various policies and programmes of RRBs, their training should also cover Personnel Management including discipline and vigilance, high value advances, financial inclusion and Internal Control System. These senior officers may be deputed for training more than once a year if needed. They may also be encouraged to participate in workshops, seminars, etc.organised by other policy makers/ opinion makers.

Officers

3.10 The areas in which officers are required to acquire basic competencies and skills in consonance with the areas of concerns identified in preceding paragraphs of this Report are given in Table 3.04.

Table 3.04: Areas of Training for Officers

	Areas of Training
General bank management	<ul style="list-style-type: none">• Rural banking• Credit management• Recovery management• Deposit mobilization• Investment management• Marketing of bank and its products• Customer service
Planning & Strategising	<ul style="list-style-type: none">• Business planning• Business development and market analysis• Asset Liability Management• Monitoring Information System (MIS)• Costing and pricing of products
External and internal controls	<ul style="list-style-type: none">• Code of conduct• Vision, mission and goal setting• Internal control and auditing• Regulations, external control and auditing

	Areas of Training
Human resource management	<ul style="list-style-type: none"> • Human resource development • Communication skills • Team building and conflict management • Leadership • Negotiation skills for NPA Management
Computer and IT	<ul style="list-style-type: none"> • Handling of computer applications

Training for Clerical Staff

3.11 Considering that RRB branches are units manned by two to three persons, the clerical staff plays a vital role in the business development of the bank. They are often the first level of contact for the customers and are crucial for the effective management of the branch and for conduct of the daily business. They are also responsible for assisting in preparation and implementation of business plans and policies. They prepare all periodic financial and non-financial reports necessary for monitoring and assessing the activities and performance of the branch. Major areas in which basic competencies are required along with indicative training programmes as perceived by the Working Group and the same based on the responses received from a sample of 369 clerical staff on their training needs are indicated in Table 3.5.

Table 3.05: Areas of Training for Clerical Staff

	Areas of training
Business Skills	<ul style="list-style-type: none"> • Code of conduct • Business Development • Credit including loan recovery management • Deposit mobilisation • Non-financial products • Marketing and customer satisfaction • Internal control • Regulations, external control and auditing
Accounting	<ul style="list-style-type: none"> • Balance sheet and final accounts • Account reconciliation
Human resource management	<ul style="list-style-type: none"> • Communication • Customer relationship management • Negotiation skills for NPA management
Computer and IT	<ul style="list-style-type: none"> • Handling of computer applications

Training for Subordinate staff

3.12 The subordinate staff are the least trained. However, the trend is now being reversed with most of the RRBs recognizing that the subordinate staff, in many cases, is the first contact point for the customer. A few RRBs have made arrangements for training the subordinate staff through on-location programmes while some in South have tied up with institutes such as National Institute of Rural Banking (NIRB) for conducting training programmes for them. The areas of training are handling customers and recovery management. However, interactions with select subordinate staff in three RRBs as well as the data received through questionnaires indicate that basic literacy regarding computer maintenance such as booting, shutting down, changing cartridges in printers, etc. is also an important area. The other areas mentioned by a sample of 246 subordinate staff are as under:

Table 3.06 Training needs of the Subordinate staff of RRBs

Areas	% Responded
SHG Lending	50%
NPA Management	56%
Personality Development	57%
Management Development	26%
Attitude Development	59%
Leadership	31%
Motivation	63%
Industrial Relations	35%
Basic Computer Skills	71%
Others	9%

Conclusion

3.13 To conclude, training of RRBs has to be geared towards making them efficient and effective Rural Financial Institutions. If this has to be achieved, training should begin with the sensitisation of the Board on areas such as corporate governance, strategic planning, etc. and should percolate through all cadres of officials from Chairman, GMs/RMs to officers, clerical staff and subordinate staff. Scale I officers, clerical and subordinate staff constitute 83 per cent of the total staff

and they are the first point of contact with customers. Their training needs greater attention.

3.14 Towards this end, the training programmes that are required are identified as under:

Immediate Training Needs (i.e., those to be addressed within six months)

Areas common to Officers and Clerical staff

- Business development and diversification including areas such as Financial Inclusion, NRE/NRO deposits, Farmers Clubs, SHGs, etc.
- Soft Skills including Customer Service
- Training in Banking Software
- Basic Computer skills

Areas specific to different cadres of staff

Officers - Credit appraisal and monitoring

Subordinate Staff - Basic Computer literacy, Soft skills including Customer Service

Long Term Training Needs (i.e., those to be addressed from 6 months to three years)

Officers

3.15 Profit Planning, NPA/ Recovery Management, Negotiation skills for NPA Management Investment Management, Asset Liability Management, Rural Branch Management, Internal Controls, Inspection, Accounting procedures, Housekeeping, IS Audit and Auditing a computerised branch.

Clerical Staff

3.16 Working in a rural branch, Marketing skills and Account reconciliation

Subordinate staff

3.17 SHG Lending, Farmers Clubs, NPA management and Negotiation skills for NPA Management

While the above mentioned areas are common to all RRBs, bank specific training would have to given in areas such as product awareness, product specific marketing

skills, accounting systems and procedures, housekeeping, documentation, etc., as in these areas the products, systems and procedures may be unique to each RRB.

Existing Training Arrangements for RRBs

As stipulated in the Terms of Reference Nos. 2 and 3, this chapter outlines the existing training capacity available, assesses its adequacy vis-à-vis the total training requirements and delineates the areas of training that can be attended to at the National, State, Sponsor Bank and RRB level and recommends building up of additional training capacity.

4.1 Training of the staff of RRBs has been a major area of concern since their inception on account of their low cost structure on one hand and high expectations from these institutions in supplementing the role of Commercial Banks and Cooperative Banks on the other. The capacity building efforts were all the more essential in view of the unique expectation from RRB staff to have professional competence of a Commercial Bank yet to remain responsive like a Cooperative Banker. However, except for induction training by some of the sponsor banks, no proper training was being provided to RRB staff in the initial years of formation of these banks. It was felt that due to the lack of proper orientation, grooming and capacity building of RRB staff, the formative years of these banks might have been one of the major causes of their poor performance. It was, therefore, in fitness of things that NABARD (mandated, among others, to facilitate institutional building of RFI (including RRBs), immediately after formation in 1982 appointed a committee on Training for Rural Development through Credit (TRUDEC) to identify the needs for developing human resources in RFIs.

4.2 The TRUDEC Committee in its report submitted in April 1983 observed that training institutions like College of Agricultural Banking, National Institute of Cooperative Management, Cooperative Training Centres and Training Institutes for Rural Banking established by four commercial banks were far too inadequate to meet the need of the sector. The committee, therefore, highlighted the need for a dedicated training institute for taking care of training needs of RRBs. The committee recommended that NABARD should "organise and set up" a Central Institute of its own, called Bankers Institute of Rural Development (BIRD). It also recommended that BIRD should function as an apex institution for imparting training to rural banking

staff in general and RRB staff in particular. The committee hoped that BIRD would help NABARD in developing RRBs into effective channels for providing credit to the weaker sections, in both the farm and non-farm sectors in rural areas. The TRUDEC committee also provided a detailed curriculum for the following basic courses:

- Induction course for RRB Officers
- Rural Orientation Course for RRB Branch Managers
- Training Module for Vikas Volunteer Vahini (now renamed as Farmers Clubs) and
- Rural Projects Development Course for Technical Officers of Commercial Banks, Cooperative Banks, RRBs and Development Departments of the Government and
- Improving recovery performance for officials of rural credit institutions.

Existing Training Infrastructure for RRBs

4.3 After NABARD set up BIRD in 1983, it went persuading sponsor banks and RRBs to give greater attention and priority to training of RRB staff. As a result of this and other positive developments, many TEs of sponsor banks started allotting dedicated space for RRB staff in their training activities. NABARD too went on to set up two regional training centres one in the South and the other in the East part of the country. Thus, at present, the training requirements of RRBs are being taken care of by the institutes listed in Table 4.01. Except a few Training Centres of some of the Sponsor Banks, none of these Training Establishments (TEs) have been providing training facilities for the clerical staff of RRBs. Further the subordinate staff of RRBs is not provided training at any of these TEs.

Table 4.01: Important Training Establishments providing Training to RRBs

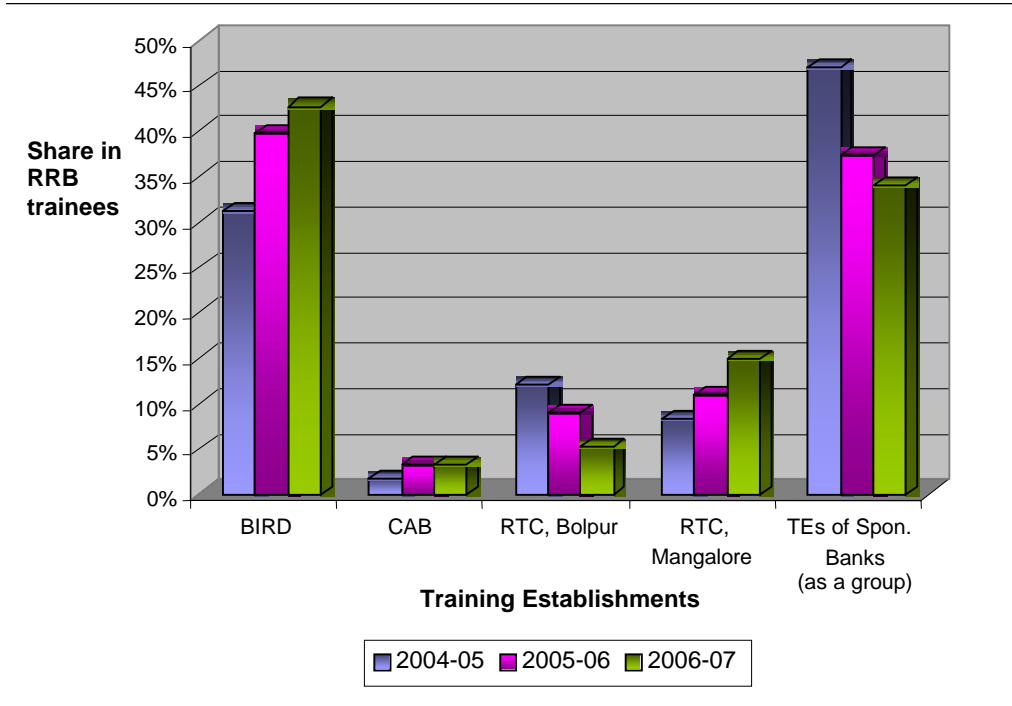
Sr No	Name of Training Establishment	Promoted/ Supported by	Level of RRB Staff Trained
National Level			
1	Bankers Institute of Rural Development, Lucknow	NABARD	Officers
2	College of Agricultural Banking, Pune	RBI	Officers

Sr No	Name of Training Establishment	Promoted/ Supported by	Level of RRB Staff Trained
3	Indian Institute of Bank Management, Guwahati	RBI, NABARD & Commercial Banks	Officers
4	National Institute of Rural Development, Hyderabad	Govt of India	Officers
5	Staff Training Colleges of Commercial Banks	Respective Commercial Banks	Officers
Regional Level			
6	Regional Training College, Bolpur	NABARD	Officers
7	Regional Training College, Mangalore	NABARD	Officers
8	Regional/Zonal Training Centres of Commercial Banks	Respective Commercial Banks	Officers & Clerical staff
State Level			
9	Staff Training Centres of Commercial Banks	Respective Commercial Banks	Officers, Clerical and Subordinate staff

4.3.1. In addition, four RRBs viz. Andhra Pragathi Gramin Bank, Gurgaon Gramin Bank, Karnataka Vikas Grameena Bank, and Shreyas Gramin Bank have set up their own training centres and are providing basic trainings to their staff including clerical staff and subordinate staff. In the recent past, three more RRBs viz., Prathama GB, North Malabar GB and Paschim Banga GB have created their own training infrastructure.

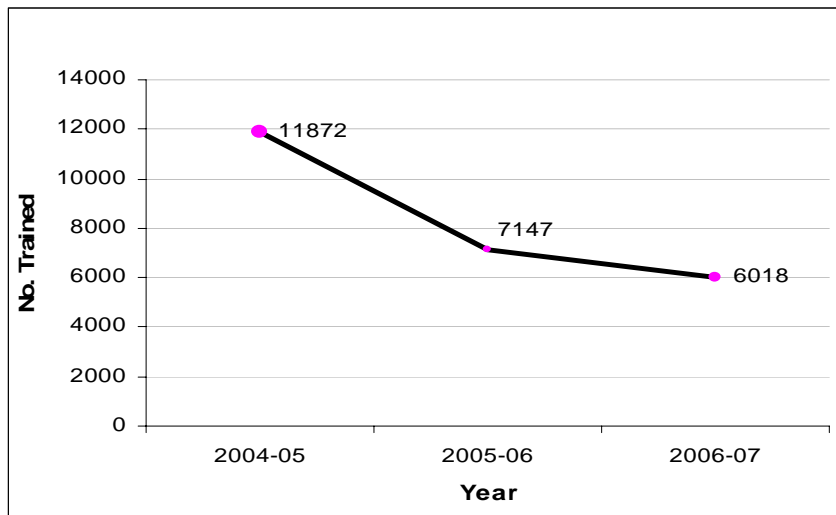
4.3.2. Among all these training establishments, BIRD has emerged to be the major contributor to the training of RRB staff (Figure 4.01).

Figure 4.01 : Share of different TEs in Training RRB staff



4.4 There has been a decline in the aggregate number of trainees from RRBs trained by these TEs during the last three years (Figure 4.02).

Figure 4.02 : RRB staff trained by TEs



4.5 A comparative position of the total number of participants from Commercial Banks, RRBs and Co operative Banks and the number of participants from RRBs in different TEs during the last three years is presented in Table 4.02 and Figure 4.03.

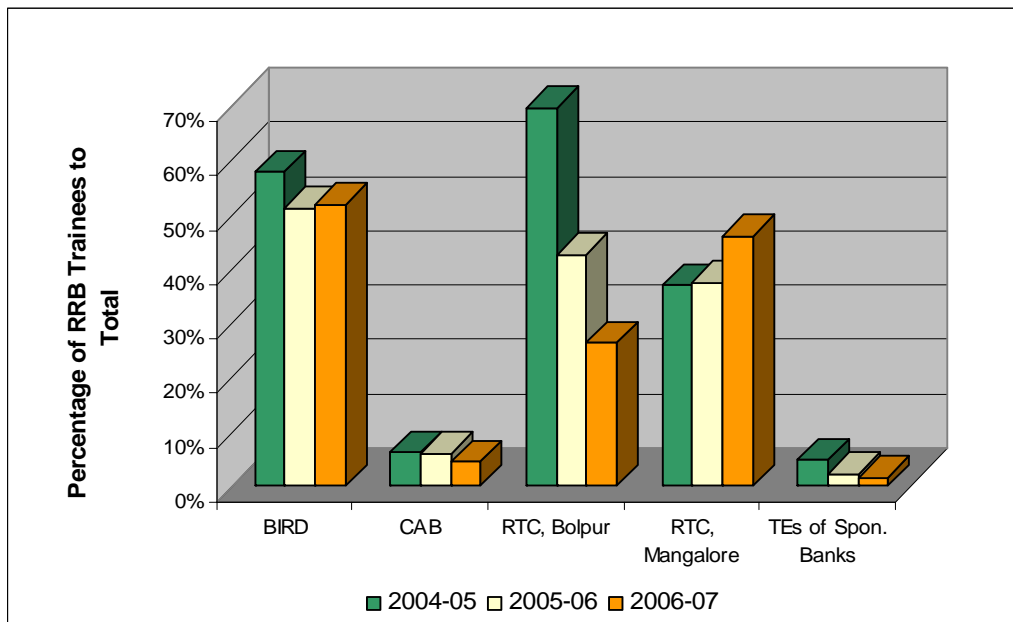
It may be observed that the share of RRBs in almost all the Training Establishments has declined during these years (Table 4.02; Fig 4.03).

Table 4.02 : Participant Coverage as reported by TEs during the years 2004-05 to 2006-07

Training Establishment	Number of Participants			RRB Participants		
	2004-05	2005-06	2006-07	2004-05	2005-06	2006-07
BIRD	6392	5562	4969	3689	2836	2570
CAB	3364	3812	4270	206	228	190
RTC, Bolpur	2054	1518	1207	1426	644	317
RTC, Mangalore	2667	2080	1946	983	776	896
Total	14477	12972	12392	6104	4464	3973
TEs of CBs*	116415	123672	126544	5568	2663	2045
Total	130892	136644	138936	11872	7147	6018

* Data received from 52 TEs of 13 out of 28 Sponsor Banks

Figure 4.03 : Share of RRB Trainees to Total Trainees in Apex Level



4.6 Of the 52 TEs of Commercial Banks, only 22 have reported having trained RRB staff. While all of these 22 train RRB officers, only 8 train clerical staff and 3 train subordinate staff. It was reported that out of the trainees nominated by RRBs to these institutes 80 per cent were officers, 15 per cent clerical staff and only 5 per cent subordinate staff.

4.7 Interaction with various stakeholders revealed that nomination of RRB officers to the TEs like BIRD, RTC, CAB, etc was not based on a well assigned Training Policy but was mostly done in an ad-hoc manner.

4.7.1 A brief review of the contribution of various TEs in training RRB staff is presented in the following paragraphs.

A. Bankers Institute of Rural Development (BIRD), Lucknow

4.8 BIRD, established in 1983 at Lucknow, is an autonomous institute promoted and funded by NABARD. It was established primarily to cater to the training needs of RRB staff. BIRD was later on converted into an autonomous society registered under the Societies Registration Act, 1860 on 1st April 1992. BIRD has been catering to the training needs of rural bankers through its topical training programs as also through workshops, seminars, etc. It's mandate includes Research and Consultancy in the related areas. It conducts a wide variety of programmes for RRB officers. Though over the years, it has started training officers of other agencies like commercial banks, cooperative banks, government and non-government agencies, 50 per cent of its participants still come from RRBs. It conducts training for all levels of officers and GMs and Chairmen of RRBs. The participants come from all over the country. The number of RRB officers trained by BIRD on its campus during the last 5 years is presented in Table 4.03.

Table 4.03: Training of RRB Officers by BIRD

Year	Programmes (No.)	Total trained	Out of which RRB officers	% of RRB officers to total trained	% of RRB Officers Trained to Total RRB Officers
2002-03	160	3146	2221	71%	7%
2003-04	172	3680	2311	63%	7%
2004-05	192	4472	2586	58%	8%
2005-06	195	4319	2409	56%	8%
2006-07	176	4008	1995	50%	6%

4.9 The emphasis of BIRD is on design and delivery of need based training. Client feed-back and need analysis are the basis for the design of programmes by BIRD. The training inputs are enriched by the insights gained from consultancy assignments and research studies undertaken by BIRD.

4.10 BIRD has played an important role through the Organisation Development Initiative (ODI) to usher in and manage the change process aimed at enhancing efficiency and effectiveness of human resources of RRBs. ODI Programmes were conducted by BIRD in 49 RRBs during the period 1995-2000. This has helped RRBs to cope with the fast changing environment in the financial sector by developing new business awareness, commitment and competence in their personnel through improvement in knowledge, skills and attitude.

4.11 BIRD generally conducts training programmes of 5 days duration with average participation of 20-25. Apart from in-campus programmes BIRD conducts on location programmes to meet client needs. It has 144 hostel rooms and has a capacity to conduct about 225 programmes of one week duration annually. Internet facility is available to the participants round the clock. It has obtained ISO 9001:2000 certification as well.

B. College of Agricultural Banking (CAB), RBI, Pune

4.12 The RBI set up Co-operative Bankers Training College (CBTC) at Pune in 1969 to attend to the exclusive training requirements of co-operative banks. Over the years, the emphasis shifted from co-operative banks to the broader sphere of agricultural development, banking and finance. To focus on the widening area of the training activity, the CBTC was renamed as College of Agricultural Banking (CAB) in 1974. Through the passage of time, the mandate of CAB has evolved to reorient it to meet the challenges of the emergent socio-economic and political realities.

4.13 From its initial focus on developing capability in rural bankers to apprise agricultural projects, CAB has broadened its scope to provide training in areas relating to Information Technology, Human Resource Management and General Banking to meet the emerging needs of the Indian Financial spectrum. CAB generally takes RRB officers as participants of programmes announced for mixed client groups and conducts a few exclusive programmes for RRBs. The number of RRB staff trained by CAB during the last 5 years is given in Table 4.04:

Table 4.04: Training by CAB

Sr No	Name of the Institution	2004-05		2005-06		2006-07	
		No. of Participants	%	No. of Participants	%	No. of Participants	%
1	Comm. Banks	942	28	1748	46	1950	46
2	Urban Cooperative Banks	986	29	747	20	990	23
3	SCBs/ DCCBs/ SCARDBs	156	5	79	2	100	2
4	RRBs	206	6	228	6	190	4
5	RBI	590	18	603	16	475	11
6	Others	484	14	407	11	565	13
	Total	3364		3812		4270	

4.14 CAB has five classrooms, three discussion rooms, with 104 hostel room. Majority of the programmes conducted by CAB are for 3-5 days.

C. Indian Institute of Bank Management (IIBM), Guwahati

4.15 The RRBs operating in the Central, the Northern and the North East Regions depute their officers to IIBM. IIBM is an autonomous management institute established in 1980. IIBM is engaged in training, research and consultancy activities. Reserve Bank of India, National Bank for Agriculture & Rural Development, State Bank of India, United Bank of India, UCO Bank, Allahabad Bank and Central Bank of India are the sponsors of IIBM. The focus areas are Human Resource Management, Financial Management, Information Technology, Economics, Organisational Behaviour, Banking Operations & Management, Development Banking, International Business, Marketing of Banking Services, and Organisational Behaviour/Psychology. IIBM is conducting training programmes for RRBs for the last two years.

D. National Institute of Rural Development (NIRD), Hyderabad

4.16 The National Institute of Rural Development has been promoted by the Government of India. It has been in existence for more than two decades. Over 150 programmes involving about 3000 participants are organized annually mostly sensitizing policy makers, elected representatives of the people, young civil servants and media professionals. It also trains functionaries from the Government, development banking institutions and community based organizations to help carry forward and spread the message of all-round rural development. Its focus being rural development, it has been conducting training programmes for officials of RFI

including RRBs as well. NIRD conducts exclusive programmes for Chairmen of RRBs and Branch Managers in the areas of Financial Inclusion, Rural Credit Delivery and Sustainable Business Growth.

E. Regional Training Colleges of NABARD

(i) Regional Training College (RTC), Mangalore

4.17 The Regional Training College (RTC) at Mangalore was established in 1984, primarily to cater to the training requirements of RRBs in the southern states. The role of the College was redefined in 1992 for providing high quality specialized training in priority areas and functional disciplines. The target of the College was, therefore, extended to cover junior and middle level officers of all the RFIs viz; Commercial Banks, RRBs and Co-operative Banks operating in the southern states of the country as well as in the states of Maharashtra and Goa. It focuses on RRBs and Co-operative Banks in order to strengthen human resources in these organizations and provide the necessary impetus for strong and vibrant RFIs. The number of RRB staff trained by RTC, Mangalore during the last two years is given in Table 4.05 below :

Table 4.05 : Staff trained at RTC, Mangalore

Particulars	Number of participants	
	2005-06	2006-07
All Agencies	2080	1946
RRBs	776	896
Share of RRB trainees to total trainees	37%	46%
Share of RRB trainees to Total RRB Officers in Southern & Western Region	9%	11%
Share of RRB trainees to Total RRB Officers	2%	3%

4.17.1 Participants of RRBs in the above training programmes came from Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Maharashtra. The areas of training covered include Credit Management, Financial Management, SHG/microFinance, Behavioural Science/HRD etc.

4.18 RTC, Mangalore runs two channels. Programmes are generally conducted for the mixed group of Co-operative Banks and RRBs. However, certain functional programmes like Asset Liability Management, Inspecting Officers programmes etc., are conducted exclusively for RRB staff. RTC has infrastructure to run one channel but has been making use of the seminar rooms to run the second channel.

Expansion of its capacity by adding a classroom and hostel facilities is reported to be under consideration of NABARD.

(ii) Regional Training College (RTC), Bolpur

4.19 Regional Training College, Bolpur was established in 1984 to cater primarily to the training needs of RRBs in the Eastern and the North Eastern Regions. Recently, Andhra Pradesh, Chattisgarh and a part of Maharashtra have also been added to its operational area. Over the years, RTC has developed expertise in imparting quality training and conducting on-location programmes including Organisational Development Initiative. The areas of training include NPA & Credit Risk Management, Management Development Programme, Programme on Project Appraisal Skills, Farm Sector including Kisan Credit Card, Financing Small & Micro Enterprises and Financing under Rural Housing & Central Sector Schemes. The number of staff trained by RTC, Bolpur during the last two years is given in Table 4.06.

Table 4.06: Staff trained at RTC, Bolpur

Particulars	Number of participants	
	2005-06	2006-07
All Agencies	1518	1207
RRBs	664	317
Share in total trainees	42%	26%
Share of RRB trainees to Total RRB Officers in N Eastern & Eastern regions	7%	3%
Share in Total RRB Officers	2%	1%

4.20 RTC has conducted training programmes for amalgamated RRBs viz., Assam Gramin Vikas Bank, Bangiya Gramin Vikas Bank and Paschim Banga Gramin Bank in the areas of business development, marketing of bank products, Farmers' Clubs, Financial Inclusion, etc. Cultural and Emotional Integration in post amalgamation situation was also focused upon.

F. Training Institutes of the Sponsor Banks

4.21 The Training Institutes of the Sponsor Banks primarily cater to the capacity building requirements of their own staff as well as those staff of their sponsored RRBs. The 28 Sponsor Banks put together, have more than 150 Training Establishments. Typically, each sponsor Bank has 1-2 national level TEs catering to the training requirements of their officers. The others are Regional/State level establishments catering to the training requirements of mainly officers and clerical

staff. Based on the responses received from 52 TEs, the following observations are made:

- The National level Training Establishments of the Sponsor Banks have a capacity to run 4-6 channels of 20-25 participants each. These Institutes have hostel facilities and well equipped classrooms, library and computer lab also.
- The State level Centres are typically small establishments, many housed in the Zonal/Regional Offices with a capacity to run 1-2 channels of 25-30 participants in each. They cater to the training requirements of officers and clerical staff. A few training for subordinate staff are also conducted. Fifty per cent of these centres do not have hostel facilities. The centres have 2 to 3 Faculty Members each and in a very few cases Faculty Members are drawn from their pool of officers.
- The training programmes conducted by most of these TEs are designed based on feedback received from their Corporate/Circle/Zonal offices, as the case may be.
- As far as training to RRB staff is concerned, in general, the National Level Institutes cater only to the needs of the Sponsor Bank's staff on deputation to the RRBs, the Regional/State Level institutes provide in house and on location training to RRB officers. As far as training for clerical staff, the practice of conducting a few programmes for them in the Sponsor Bank State level institute appears to have been discontinued in the recent past by a few Sponsor Banks, presumably due to the pressure on their training system. However, the State Level Institutes of some Sponsor Banks such as Syndicate Bank and SBI continue to conduct a few in-house programmes for the clerical staff of RRBs. Very few of the State level institutes of Sponsor Banks cater to the requirements of the sub ordinate staff.
- Of 52 TEs, only 22 have provided training to RRBs. While all the 22 TEs train RRB officers, less than 40 per cent of them train clerks and only 14 percent train subordinate staff.
- All these 52 TEs do not have any spare capacity.

4.22 The fiercely competitive and dynamic banking scenario compelled Sponsor Banks to prioritise reskilling their staff especially in the areas of Information Technology, Risk Management and HRM. Beginning 2004-05, through 2005-06 and 2006-07, the TEs of these banks were running programmes on Core Banking Solution (CBS) for their staff. This affected the availability of training for RRB staff in these TEs leading to a fall registered in the percentage of RRB staff trained in these TEs from 5 in 2004-05 to 2 in 2006-07 (Table 4.02).

G. RRBs' own training arrangements

4.23 Twenty of the eighty two RRBs which had responded to the Committee to Formulate a Comprehensive Human Resource Policy for RRBs (Dr. Thorat Committee) have reported their intention to create their own training infrastructure. Four RRBs viz. Andhra Pragathi Gramin Bank, Gurgaon Gramin Bank, Karnataka Vikas Grameena Bank, and Shreyas Gramin Bank have already created their training infrastructure called RBTC at their HO/RO level and have been providing basic trainings to their officers, clerks and subordinate staff. (Since, North Malabar GB, Prathama Bank and Paschim Banga GB have set up their own Training Establishments in the last quarter, the discussions in the ensuing paragraphs do not include these three RRBs).

4.24 These RBTCs not only provided training to larger number of RRB staff as compared to that by TEs of Sponsor Banks but also covered the clerical and subordinate staff. While Gurgaon GB and Karnataka Vikas GB trained officers once a year, the other two RRBs trained officers once in two years. In fact, as may be seen from Table 4.07, during 2005-06, RBTCs provided training to officers in Scale III and II more than once. Similarly, while Gurgaon GB and Karnataka Vikas GB trained their clerical staff once in two years, Andhra Pragathi GB and Shreyas GB trained their clerks once every three years. The frequency of training subordinate staff in these RBTCs was significantly higher than that of those RRBs without their own training arrangements.

Table 4.07: Comparative Position (in percentages) of Proportion of Staff trained by RRBs without RBTCs & RRBs with RBTCs

Cadre	RRBs without RBTCs			RRBs with RBTCs		
	'04-05	'05-06	'06-07	'04-05	'05-06	'06-07
Scale III	57	43	54	82	105	81
Scale II	55	41	46	82	101	75
Scale I	39	27	33	86	99	77
Total Officers	45	32	38	84	100	76
Clerical Staff	19	15	18	45	86	73
Subordinate staff	7	5	6	52	54	53
Total	33	24	29	69	90	72

4.25 The performance of RRBs with RBTCs is significant as may be seen from the above table read with Table 2.04. This position is further illustrated by Table 4.08 below indicating a comparative position of the three scenarios for one year viz., 2006-07.

Table 4.08: Proportion of Staff trained by RRBs during 2006-07

Cadre	All RRBs (60)	RRBs (56) without RBTCs	RRBs (4) with RBTCs
Officers	42 %	38%	76%
Clerical Staff	24%	18%	73%
Subordinate staff	10%	6%	53%
Total	33%	29%	72%

4.25.1. Setting up of these RBTCs exclusively for training of RRB staff resulted at macro level a 4 per cent increase in training of officers and subordinate staff and 6 per cent increase in the training of clerical staff. The WG therefore, concludes that RRBs' own training arrangements such as RBTCs may be a necessity for training their staff, especially clerks and subordinate staff.

4.26 In order to obtain a first hand impression about the effectiveness of the own training arrangements of RRBs, a sub group of the WG visited RBTC at Anantapur, Andhra Pradesh run by Andhra Pragathi GB. Responses received from RBTCs run by Gurgaon GB, Karnataka Vikas GB and Shreyas GB also were considered by the WG. Recognising the importance of exclusive TEs for RRBs, Syndicate Bank had facilitated setting up of RBTCs in the states of Andhra Pradesh and Karnataka to cater to the need of its RRBs in operation in states even before the amalgamation process had set in 2005. Canara Bank helped the amalgamated entity Shreyas GB

in setting up its RBTC. Gurgaon GB sponsored by Syndicate Bank is the only standalone RRB having its RBTC.

4.27 RBTCs of the above four banks are part of their HO/Regional Offices. RBTCs of Syndicate Bank sponsored RRBs have two Faculty Members each drawn from the respective RRB and the Principal on deputation from Syndicate Bank.

4.28 Based on the responses of RRBs and the discussions held with the officials of Andhra Pragathi GB and Faculty members of its RBTC, it is observed that RBTC provides training that are specific to RRBs products & services. These training programmes were therefore, reported to be quite effective especially the on site programmes designed for various products of RRBs. The training provided by RBTC took care of the local requirements and were cost effective too.

4.29 RBTCs generally have 1-2 classrooms with seating capacity of 35-40 trainees. They do not have hostel facilities. Two RBTCs have computer labs with seating capacity of 28-36 trainees and 14-18 PCs connected through LAN, facility for Power Point presentation and availability of other modern aids of teaching, library with journals on Banking & Agriculture, Internet (Broadband) connectivity. The centres are run by Training Advisory Committee (TAC) headed by the Chairman of the bank. TAC meets at half yearly intervals. In addition to own Faculty, RBTC draws upon guest faculty as well.

4.30 The training programmes conducted by RBTCs include Induction Training Programmes for newly recruited staff, Orientation Programmes for promotee staff, Refresher Programmes, Skill Upgradation programmes, Special programmes on IT and Pre promotional training programmes for SC/ST staff. A number of short duration programmes were also organised. Almost 50% of the staff were trained annually in topics such as Product Awareness, Branch Automation (ALPM) and Inspection System.

4.31 Syndicate Bank has played a supportive role to RBTCs by providing the services of its officer on deputation, reviewing the functioning of RBTCs at quarterly basis., guidance on the formulation of training programmes and providing training in areas such as credit appraisal, inspection, foreign exchange, SARFAESI Act and IT, etc.

4.32 Though RBTCs did not undertake any detailed TNA exercise, the same was assessed through various methods such as Self Appraisal Report from each employee, identification of performance problems during the visits of Supervisors to supervise in work situation and finalisation of the corporate goals, etc.

4.33 As far as capacity utilization in these RBTCs was concerned, it was 42 percent in Andhra Pragathi GB and 80 percent in the case of Karnataka Vikas GB.

Advantages of own training centre

4.34 Discussions have revealed that the following benefits accrued to RRBs on account of their own training centres:

- i. Savings of man days on travel and travel cost
- ii. Increased level of interaction levels on account of localised content and delivery
- iii. Ability to design training programmes as per the RRBs' policies
- iv. Ability to conduct on-site training programmes
- v. Ability to provide training to all levels of employees
- vi. Provide opportunity to interact with the Top Management of RRBs.

Future requirements

4.35 In order to increase the efficiency of these RBTCs, the following requirements have to be met:

- i. Improvement in infrastructure facilities including hostel.
- ii. Increase in number of Faculty Members.
- iii. Deputation of Faculty Members to attend Faculty Development Programmes of BIRD/RTC, etc.

Assessment of adequacy of existing training capacity

4.36. It may be seen from the supply side data that apex level institutes like BIRD, CAB, NIRD and RTCs of NABARD put together train around 15% of the total number of officers of RRBs. For clerical staff formal arrangements for training are limited. The training needs of the subordinate staff are either being met in a very limited way or are largely being ignored. BIRD and RTCs have indicated that they may increase participation of trainees from RRBs by 20 to 25 per cent, both through in campus and on location programmes. TEs of Sponsor Banks did not report any spare capacity to be earmarked for RRB Staff.

4.37. Considering the locational aspects and the limited staff strength of RRBs especially at the branch level, a policy of training officers once in 2 years and clerical staff and subordinate staff once in 3 years would be practicable. The data received from the RRBs having their own training establishments suggest that they may be able to train all their staff. However, as far as the officers are concerned, apart from product/RRB specific training which could be provided by RBTCs, officers may continue to be deputed to outside TEs to facilitate cross cultural learning.

4.38 As on 31 March 2007, there were 31600 officers, 25000 clerical staff and 16000 subordinate staff in RRBs. If the norm mentioned in para 4.37 above is accepted, excluding the clerical and messenger staff in the RRBs with their own training arrangements, approximately, 16000 officers, 8500 clerical staff and 5500 subordinate staff will have to be trained every year.

Covering the gap at National, Regional and State Level

4.39 Against the requirement of providing training to 16000 officers every year, the present system based on sample data caters to the training of approximately 12600 officers, leaving a gap of 3400 officers as indicated below :

Table 4.09: Gap in meeting the training requirements of officers of RRBs

Particulars	No. of officers
No. of officers to be trained annually based on the norm of providing training once in 2 years	16000
Training by Apex Institutes (Table 4.02)	8500
Sponsor Bank TEs (the existing share of 2 per cent of RRB staff)	2500
Training through Other Institutes @	1600
Total	12600
Gap	3400

@ IIBM, Guwahati, NIRB, Bengaluru, NIRD, Hyderabad, and a few regional level training institutes

4.39.1 The gap may be met as under:

- Increasing the intake of RRB participants by 20 percent in the Apex level TEs through in-campus and on-location programmes.
- Sponsor Bank TEs may also attempt to increase the RRB participation by 20 per cent, either through in-campus programmes and conducting on- location programmes for RRBs.

4.40 As far as the clerical staff are concerned, there is a gap of 4000 to be trained annually. The gap could be met in the following manner:

- All RRBs may set up their own training centres on the lines of RBTCs. This may be done especially by all the amalgamated RRBs as their staff strength is higher and they already have infrastructure in terms of on used Head Office space of erstwhile constituents. This, therefore, would not entail creation of new physical infrastructure but utilization of the existing ones.
- The RBTCs so established should have, based on the staff strength of the RRB concerned, facilities including 1-2 classrooms, a computer lab with adequate number of PCs and internet facility and 2-3 identified Faculty Members. These centres should have all modern teaching aids. RBTCs may be set up by RRBs severally or jointly. The programmes may be conducted on full cost basis i.e., with no subsidy component in them.
- In case of those RRBs that do not wish to set up their own RBTCs, they may ensure that they have access to other RBTC by having tie-up arrangements. This would ensure better capacity utilization of those RBTCs too. Alternatively, RBTCs may be set up by RRBs severally or jointly.
- Apart from conduct of in house programmes for clerical and subordinate staff, RBTC infrastructure may also be used for conduct of on location/ product specific programmes for officers.

4.41 For the subordinate staff, there is a gap of 5000 to be trained annually. It is also to be borne in mind that this cadre on the one hand requires training with local input, content and delivery and on the other, cross cultural exposure to expand outlook and approach is equally important in making training effective. Hence the WG makes the following recommendations for training of subordinate staff :

- Subordinate staff may be deputed for training in RBTCs.
- Till such time that all RRBs are provided access to RBTCs, RRBs may organise training programmes to be conducted locally by their own selected officers.
- These selected officers may be deputed to attend Trainers Training Programme of any of the national level institutes, say BIRD.
- These selected officers may facilitate preparation of appropriate training material, etc.

4.42 It is desirable that while TEs of Sponsor Bank and RBTCs cover functional areas, the other Apex level TEs cover developmental aspects, emerging areas and HR areas.

Training Arrangements for RRBs in the North East Region

4.43 The RRBs operating in the North Eastern Region of the country have expressed difficulty in taking advantage of training infrastructure available in other parts of the country because of large number of man days lost in travel. Moreover, the operational issues and performance related problems faced by these RRBs are unique due to geographic location and socio cultural distinctness. While IIBM, Guwahati has started providing training to RRBs, it has a limited hostel accommodation of 60 participants with two class rooms. SBI Learning Centre, Guwahati has been conducting training for SBI sponsored RRBs only. It also has limited training capacity. Most of the RRBs of the North East Region have therefore suggested a separate training infrastructure nearer to their area of operation to specific training needs of these RRBs.

Other Issues Related to Training Establishments

4.44 During the course of interaction with various stakeholders including RRB staff, the following issues came to the fore.

- A. Need for development of an Induction Training Programme
- B. Standardization of training design & delivery
- C. Training Need Assessment
- D. Cost of Training
- E. Application of Training Inputs

4.44.1 The Working Group has deliberated in detail with the Principals/Directors of various training establishments, their faculty members as also various levels of staff of RRBs, Sponsor Banks and NABARD. The observations of the Working Group on these issues are presented in the following paragraphs.

A. Induction Programme

4.45 The training programmes on functional areas offered by the various training institutions are not able to meet the demand of RRBs. In RRBs there is no structured basic competency training at entry level on banking and service delivery aspects. There is also generally no induction training for clerical and subordinate staff. Sometimes a capsule induction programme of short duration is delivered by Sponsor Banks. The programmes offered in existing training institutions for RRBs do not cover the requirements in an effective and consistent manner. In this situation most of the newly employed staff members have to cope with their job requirements through on the job learning.

B. Standardization of training design & delivery

4.46 One of the capacity building approaches of the RRBs has been to depute their personnel to external TEs. Most of the training offered by these TEs cater to the middle and senior management levels of RRBs. Since each of such TE decides its programmes/ modules, there is over concentration on certain subjects, eg., NPA Management. Training programmes/contents are not standardized. This together with a lack of in depth TNA results in high variability in training quality and limited relevance for the actual work situation of the trainees of RRBs. This points out to the need to have a forum for coordination among all TEs in designing programmes/modules for RRBs. BIRD may organize an Annual Conference of the TEs as part of the efforts to standardise the design and delivery of programmes.

C. Training Needs Analysis (TNA)

4.47 Barring a few sporadic efforts, the training needs of RRB staff are not being analysed in a rigorous and scientific method. Regional Training College, Bolpur recently did a TNA of officers of Bangiya Gramin Bank, West Bengal and drew up customized programmes for them. BIRD, designs its programmes based on the feedback obtained from a cross section of Chairmen of RRBs and Senior Officers of

Sponsor Banks. Most of the TEs of Sponsor Banks conduct training programmes based on the directions received from the Sponsor Banks.

4.48 At the level of RRBs also there is no scientific method of doing TNA of individual staff members and then ensuring that the most suitable training interventions are taken. To conclude, the training programmes are essentially supply driven rather than demand driven.

D. Cost of Training

4.49 Most of the programmes being conducted by BIRD, RTCs & CAB are free for the officers of RRBs. Even paid programmes are heavily subsidized. IIBM either conduct the programmes free or charge a fee of Rs 100 to Rs 500 per participant per day. Interactions with RRBs have indicated that free training was mainly responsible for a casual approach towards training by the RRB managements. At the RRB Board level, there was lack of appreciation of training as an investment in human capital. This was reflected in the absence of any systematic process of training need identification and nomination for training programme.

4.50 In the post amalgamation scenario, RRBs should realize the importance of training and play an important role not only in facilitating TNA but also in influencing the training content. The management of RRBs should start treating training of their staff as an investment and agree to bear the cost thereof.

F. Application of Training Inputs

4.51 The placement policy, wherever in place, did not take into account the trainings received or trainings required. This again was due to very low priority accorded to training by the managements of RRBs.

4.52 TEs also did not have a regular post training follow up and feedback mechanism in place. In the absence of such a feedback, the training programmes generally tend to be knowledge oriented, ignoring the S & A (Skill & Attitude) elements of KSA (Knowledge, Skill & Attitude) of training.

Conclusion & Suggestions

4.53 To address the massive capacity building need of RRBs, the WG suggests the following:

- Need based trainings should be imparted. Training needs should be assessed scientifically and periodically.
- Training should be treated as investment and cost thereof should be borne by the users viz. RRBs
- RRB-specific customized training should be given preference over generalized basket of programmes
- For meeting the training requirements of the officers of RRBs, the following alternatives have been suggested:
 - Increasing the intake of RRB participants by 20 percent in the Apex level TEs through in-campus and on-location programmes.
 - The BIRD, IIBM and RTCs may plan a strategy to achieve 100% capacity utilisation through the allocation of RRB specific/need based training programmes.
 - Sponsor Bank TEs may also attempt to increase the RRB participation by 20 per cent, either through in-campus programmes and conducting on-location programmes specifically for RRBs.
- For meeting the training needs of the clerical and subordinate staff of RRBs, the WG recommends the following:
 - All RRBs may set up their own training arrangements on the lines of RBTCs. These training centres may be set up using the available space in their premises or by hiring space from outside instead of investing in fresh infrastructure. The amalgamated RRBs may use the HO and other premises of their erstwhile constituent banks that might have been freed consequent upon rationalisation of offices after amalgamation.
 - RBTCs would be training centres with all modern learning facilities.
 - If RRBs so desire, RBTCs may be created by the RRBs jointly. The programmes may be conducted on full cost basis i.e., with no subsidy component in them.

- In case of those RRBs that do not wish to set up their own RBTCs, they may ensure that they have access to other RBTC(s) by having tie-up arrangements. This would ensure better capacity utilization of those RBTCs too.
- Apart from conduct of in house programmes for clerical and subordinate staff, the RBTC infrastructure may also be used for conduct of on location/ product specific programmes for officers also.
- While TEs of Sponsor Banks, RBTCs would cover functional areas, the other Apex level TEs would cover developmental aspects, emerging areas and HR areas, etc.
- A cadre of trainers should be developed within RRBs and these trainers should be trained at apex training institutes like BIRD, RTCs, IIBM etc.
- There is a need to have a forum for coordination among all Apex Level TEs in deciding programmes/modules for RRBs. BIRD may organize an Annual Conference of the TEs as part of the efforts towards standardization of design and delivery of programmes.

4.54 A roadmap and strategy based on these suggestions is given in Chapter 5.

Roadmap for Addressing the Training Needs of RRBs

5

This chapter presents a roadmap for meeting the training needs of the staff of RRBs. It has been developed based on the training needs and gaps in existing training arrangements identified in the previous chapters. The roadmap covers training interventions that need to be taken up in the immediate future, say within 6 months and those that are to be taken up in the medium to long term, i.e. period beyond six months. A logical framework for implementation of the roadmap has also been prepared.

5.1 The training needs and the gaps in training delivery identified in the previous chapter need to be addressed in a Mission mode to equip RRBs with the knowledge, skills and attitudes to meet the merging challenges in the rural banking and to play a meaningful role in achieving total financial inclusion in a sustainable manner. While presenting the roadmap, the Working Group has taken into consideration the following imperatives:

- Training should be treated as an investment
- It should be demanded and price of acquiring it should be well recognized
- Training needs should be identified by individual RRBs in a systematic manner
- Training should be imparted with active involvement of RRBs through standardised modules and processes
- Training efficacy and its impact should be measured and be used for refining further training inputs

5.2 The Working Group is of the opinion that training being a serious business it should be approached with professionalism.

To achieve this, the following roadmap is suggested:

Roadmap for meeting the Immediate Training Needs

5.3 It was decided in the 2nd Meeting to Review Performance of RRBs convened by the Ministry of Finance, Government of India on 16 July 2007 that Sponsor Banks, in consultation with BIRD, would formulate standardised training modules for conducting programmes for RRBs at their training centres. Keeping this in view the action required to be taken at different levels is outlined in the following paragraphs.

5.3.1 National level

The work of development of standardised modules may be taken up immediately and be completed within 1 month from the date of acceptance of the recommendation of the WG and by NABARD and communication thereof to Sponsor Banks, RRBs, TEs etc. BIRD may convene a meeting of the TEs, Sponsor Banks for identifying the modalities for preparation of the modules and tool kits. Standardisation need to be attempted for the following areas of immediate concern: Trainers' Training, Credit Appraisal, NPA Management, Customer Relations Management, Basic Computer Skills and Attitude for Rural Banking.

- Apex level TEs to take up TNA in RRBs whenever demanded and
- Conduct TTP for identified Faculty Members of RRBs as per demand.
- On the pattern of training programmes conducted for the Secretaries of PACS and staff of District Central Cooperative Banks while implementing the recommendations of Prof. Vaidyanathan Committee, the job of conducting training programmes could be externalized by utilizing the services of retired officers of RRBs /sponsored banks and Trainers Training Programmes may be conducted for them.
- National Level TEs, BIRD may prepare module for TTPs for conduct of training programmes as envisaged in the report of Dr. Ranagrajan Committee on financial inclusion.

5.3.2 Sponsor Bank Level

The TEs of Sponsor Banks are required to do the following:

- Deliberate on the preparation of suitable of standardised training modules and trainers toolkits in a National Seminar to be organised by BIRD.
- Develop trainers' toolkits for identified Training Programmes and make available to all RBTCs for use.
- Assist the sponsored RRBs to set up RBTCs with modern training facilities.
- Provide Faculty support to the RBTCs or other training facilities created at RRBs.
- Conduct TTP for identified Faculty Members of RRBs as per requirement.

5.3.3 RRB Level

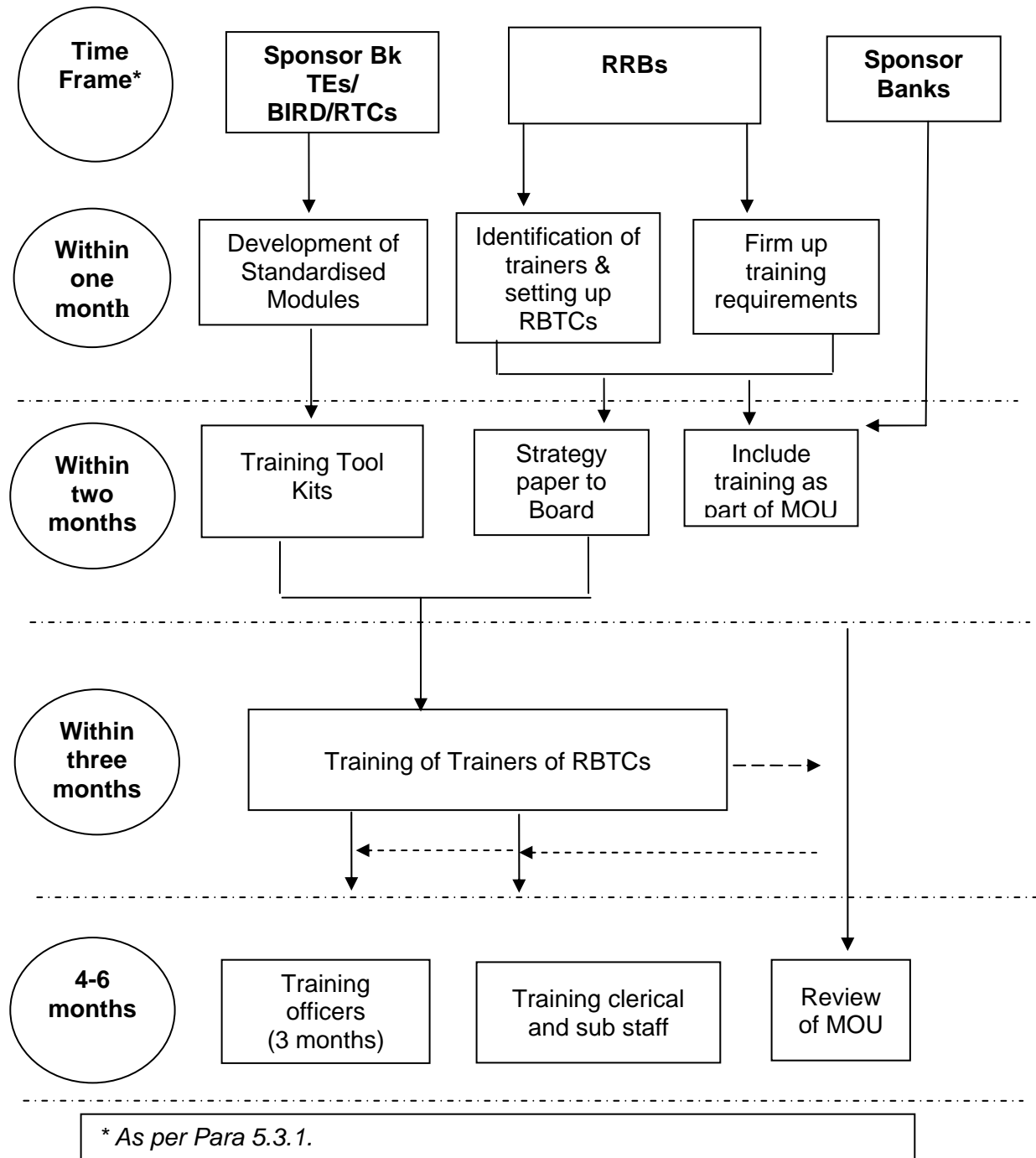
- Submit a status paper immediately on training of RRB Staff to their respective Boards for review. The status paper should outline the training requirement in terms of number of staff of different cadres to be trained, areas of training and an action plan for conducting training. Training should be seen as separate from one day/ half a day workshops conducted by the RRBs themselves or by the various stakeholders such as DIC, NABARD, State Govt. Departments, etc.
- Training should also be a regular agenda for the Board of Directors. The progress made in achieving the training targets should be reviewed by the Board of Directors regularly.
- Training undergone by staff during the year and the areas in which they require training during the next year should be included in their Personal Assessment Reports.
- Carry out TNA for which RRBs can seek professional assistance from training establishments like BIRD and RTCs.
- Based on these TNAs, RRBs may approach the TEs for conducting in-campus or on-location training programmes if they do not have the in-house capability of conducting the same.
- Set up RBTCs with modern training facilities like learning hall, computer lab, OHP projector, LCD projector, and other training aids and identify officers to work as Faculty Members as and when required. These training centres

may, as already mentioned in para 4.53, be set up using the available space in their premises or by hiring space from outside, instead of investing in fresh infrastructure.

- Those RRBs that do not wish to set up their own RBTCs, may ensure that they have access to other RBTC(s) by having tie-up arrangements.
- Assess the need for deputing the identified Faculty Members for suitable TTP at any of the Apex level TEs.
- Carry out training of Clerical & Subordinate staff on a regular basis.
- Including training as one of the covenants of MoU to be entered with Sponsor Bank.

5.4 The roadmap suggested above is given in Figure 5.01. The roadmap is expected to take care of the immediate training needs of all RRBs. While separate modules need to be prepared for officers, clerical staff and subordinate staff, all the staff need an exposure to Credit Appraisal, NPA Management, Basic Computer Skills and Soft skills including Customer Relations Management.

Fig 5.01 : Roadmap for meeting immediate training needs



Roadmap for meeting Long Term Training Needs

5.5 National Level

- Apex level TEs to carry out TNA for RRB staff on demand basis.
- Conduct TTP for identified Faculty Members of RRBs as per demand.
- To increase participation of RRB officers by 20 per cent either through in-campus or on-location programmes.
- BIRD to attempt a Model Training Policy which may be adapted by RRBs.

5.6 Sponsor Bank Level

- Provide Faculty support to RBTCs or other training facilities created by RRBs.
- Conduct TTP for identified Faculty Members of RRBs as per demand.
- Ensure that MoU entered into with their sponsored RRBs include training.
- Training to be reviewed while conducting Management Audit
- To increase participation of RRB officers by 20 per cent either through in campus or on location programmes of their TEs.

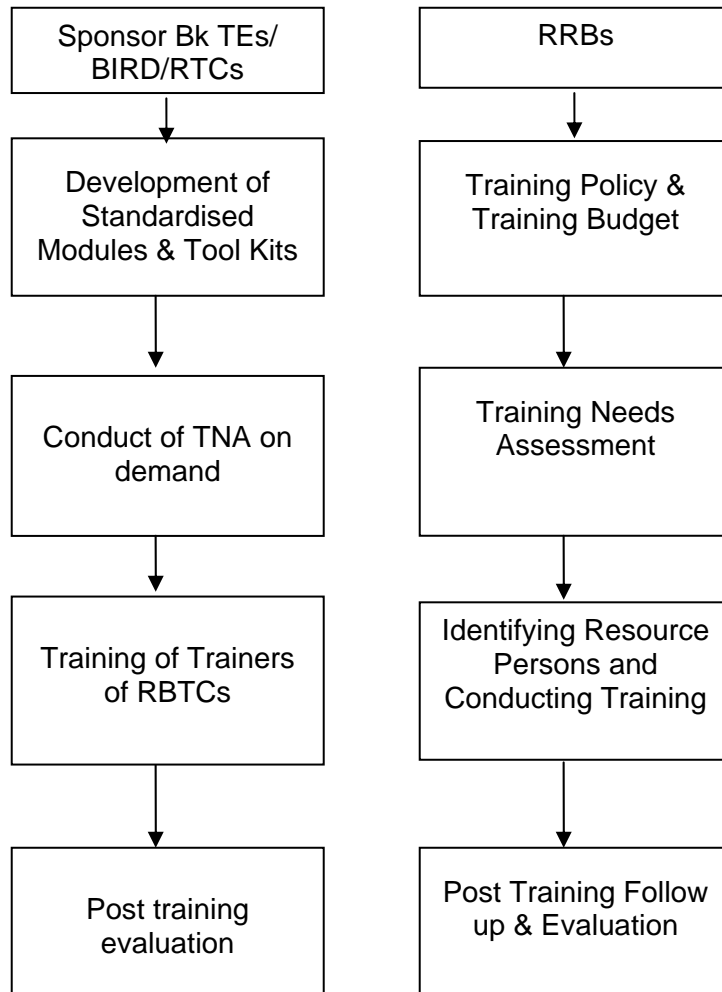
5.7 RRB Level

- Carry out TNA on an annual basis.
- Assess the need for deputing the identified Faculty Members for suitable TTP at apex level TEs or TEs of Sponsor Banks.
- Provide training to Clerical & Subordinate staff on a regular basis and give due remarks in annual PARs of staff.
- Review in the Board meetings, the training provided to staff including staff on deputation from Sponsor Bank and the Board Members on a periodical basis.
- Prepare a Training Policy.
- RRBs should maintain a training database as part of MIS. They should also set up training system such as training budget, rosters, etc.

- All training programmes must be followed by post training evaluation to ascertain the efficacy and impact of training. This may be done by seeking professional assistance from Apex level TEs.

5.8 The road map suggested above is given in Figure 5.02.

Fig 5.02: Roadmap for long term training needs – Routine Programmes



Role of NABARD

5.9 The success of the efforts need to be captured, documented and reviewed so that through effective capacity building of RRBs, the needs of the rural poor are met. Towards this end, NABARD has to play a pivotal role by ensuring

- Development of standardised training modules by Apex Level TEs and Sponsor Banks.
- Development of Training Toolkits by Apex Level TEs and Sponsor Banks.
- The implementation of proposed Training Interventions by Apex level TEs, Sponsor Banks and RRBs.
- Conduct of Annual conference of TEs by BIRD.

5.10. While these may take care of the implementation of the recommendations from the supply side, i.e., by the Training Establishments, setting up of systems for effective capacity building needs to be monitored too by NABARD. Towards this end, NABARD may have to:

- Modify the format of Quarterly Progress Report (QPR) which is being called from RRBs to incorporate training related information such as the cadre wise number of staff requiring training based on the bank's training policy, the cadre wise training given during the quarter and the shortfall in achievements, if any, with reasons therefor.
- Include data on training in its annual publication "Statistics on RRBs" and provide access to the same through its website as well.

5.11 The whole hearted support of all stakeholders is a pre-requisite for successful implementation of the roadmap.

Road map for meeting Capacity Building Requirements - Log Frame

Strategic Objective	Objectively Verifiable Indicator (OVI)	Means of Verification (MoV)	Assumptions
Goal			
To equip the RRB staff with necessary KSA	<ul style="list-style-type: none"> No. of officers, clerical and other staff trained annually Business volume or portfolio increase in the RRBs/ branches 	<ul style="list-style-type: none"> Review by RRB Boards as part of its agenda Half Yearly reports from RRBs and TEs Review by Sponsor Banks during MoU meetings and Management Audit 	<ul style="list-style-type: none"> Stakeholders recognize training as a means for improved performance of RRBs. Suitable guidelines would be issued by NABARD/Sponsor Banks to develop and strengthen training system in RRBs RRBs would treat training as an investment and would be prepared to pay for the same
Purpose			
To ensure delivery of viable, effective and efficient financial services to the rural poor through RRBs	<ul style="list-style-type: none"> Increased financial access to the rural poor In time access to credit for the rural clientele Increased profitability of bank/branches 	<ul style="list-style-type: none"> Share of business commensurate with share of branches Approval of loans within prescribed time frame 80% of the branches in profits without TPM 	<ul style="list-style-type: none"> Stable and positive financial environment The clients have a positive attitude towards repayment
Output			
<ul style="list-style-type: none"> RRBs Emerging as stable and strong financial institutions 	<ul style="list-style-type: none"> Developing planning skills Better Internal Control systems 	<ul style="list-style-type: none"> Formulating Profit plans and business development strategies which will be vetted/ reviewed by the respective Boards and the Sponsor Banks Improvement in Profits, reduced incidence of frauds, revenue leakages, etc. 	<ul style="list-style-type: none"> Full support and coordination from the Board and Sponsor Banks
<ul style="list-style-type: none"> Achieving financial inclusion targets 	<ul style="list-style-type: none"> Increased number of deposit and loan accounts 	<ul style="list-style-type: none"> No. of new deposit and loan accounts 	<ul style="list-style-type: none"> The clients have a positive attitude towards RRBs
<ul style="list-style-type: none"> Handling Competition from other players effectively 	<ul style="list-style-type: none"> Increased % share of RRBs in rural business IT based financial services 	<ul style="list-style-type: none"> Increased market share Total Computerisation of business ICT based products for financial services 	<ul style="list-style-type: none"> The capacity building initiatives will give necessary confidence to face competition.

Activity Plan for Capacity Building of RRB personnel

Sl.	Action Point	Action to be taken by	Time frame*	To be Monitored by
I	Immediate training needs			
1	Development of Standardised modules	Sp. Bk TEs/ BIRD	within 1 month	NABARD
2	Identification of trainers	RRBs	within 1 month	Sponsor Banks
3	Setting up of RBTCs	RRBs	within 1 month	Sponsor Banks
4	Development of Training Tool Kits	BIRD/RTCs	within 2 months	NABARD
5	Strategy paper on training to be put up to Board	RRBs	within 2 months	Sponsor Banks
6	Include Training as a parameter in MOU	Sponsor Banks/RRBs	within 2 months	Sponsor Banks
7	Training of Trainers of RBTCs	RRBs	within 3 months	Sponsor Banks
8	Delivery of Training – Officers <ul style="list-style-type: none"> • National Level Institutes to conduct on location programmes • Increasing the number of RRB participants by 20 percent in all TEs • The Sponsor Bank TEs may also attempt to increase the RRB participation by 20 per cent, either through in campus programmes or conducting on location programmes 	RRBs/ TEs RRBs/TEs Sponsor Bank TEs	Within 6 months On going On going	Sponsor Banks All Apex Level TEs & Sponsor Bank TEs Sponsor Banks

*As per para 5.3.1

Sl.	Action Point	Action to be taken by	Time frame*	To be Monitored by
9	Delivery of Training – Clerks & Sub staff <ul style="list-style-type: none"> • On location programmes to cover the gap • RBTCs and TEs of sponsor banks may provide training to the clerical and sub staff 	RRBs/ TEs Sponsor Bank TEs	Within 6 months Within 6 months	Sponsor Banks NABARD
II	Long Term training needs			
1	Set up Training systems	RRBs	1 year	RRB Boards, Sponsor Banks & NABARD
2	As part of the efforts to standardise the design and delivery of programmes, annual Conference of the TEs to be convened	BIRD	First meet 6 months, thereafter annually (Apr-May)	NABARD
3	Develop a Training Database	RRBs	1 year	RRB Boards, Sponsor Banks & NABARD
4	Empanelment and dissemination of Resource Persons/ Agencies for conducting training	BIRD, RTCs	On going	NABARD
5	Identifying Resource Persons/ Agencies for conducting training	RRBs	On going	RRB Boards and Sponsor Banks
6	Training Needs Assessment	RRBs	On going	RRB Boards and Sponsor Banks
7	Impact Evaluation	RRBs	On going	RRB Boards and Sponsor Banks

Annexure

Constitution of Working Group on Capacity Building Requirements of RRB Personnel

Office Memorandum No. MD/3538/ 2007-08 dated 22 November 2007

1) RRBs are in the process of restructuring and consolidation under the on-going amalgamation process. In the post amalgamation scenario, the RRBs have a special place in the multi-agency approach adopted to provide agricultural and rural credit in India, particularly for providing loans to the target groups, including the priority sector.

2) The amalgamation process has not only generated issues in operational areas but has also thrown up concerns relating to capacity building of staff, both officers and other staff in the amalgamated banks. To ensure that the training issues receive a comprehensive understanding, it would be most appropriate to have a complete look at all the training issues of RRBs. As there are number of stakeholders of RRBs, it would be desirable to have a wide ranging consultation involving all RRB related institutions.

3) Accordingly, the National Bank for Agriculture and Rural Development (NABARD) appoints a Working Group consisting of the following members :

1	Shri Amaresh Kumar, Executive Director, NABARD	Chairman
2	Shri Pankaj Pandit, Chief General Manager, NABARD	Member
3	Dr. V.K. Verma, General Manager, Bank of Baroda, HO	Member
4	Shri Akshaya Kumar, General Manager, Canara Bank, HO	Member
5	Shri M.K.Pareek, Chairman, Narmada Malwa Gramin Bank	Member
6	Shri A.B. Jog, Chairman, Uttar Bihar Ksh. Gramin Bank	Member
7	Shri M.Dhananjaya, Chairman, Karnataka Vikas Grameema Bank	Member
8	Shri V.S.Bhadauria, Chief General Manager, NABARD, Officer on Special Duty, BIRD	Member Secretary

4) The Working Group will look into the following matters and make appropriate recommendations :

- (1) Comprehensively study the training needs of RRB Personnel, both officers and other staff and identify the key areas requiring training intervention.*
- (2) Study the existing training capacity available for training of RRBs and assess its adequacy as per the training requirements and identify the areas which can be attended to at the National, State and RRB/Sponsor Bank level.*
- (3) Suggest alternatives for training of RRB staff in areas where the existing training capacities are not sufficient.*
- (4) Prioritise the training and capacity building exercise for RRB staff and suggest a road map for addressing the immediate training needs.*
- (5) Suggest measures needed to strengthen the existing training institutions imparting training to RRB Personnel.*

5) The Working Group will devise its own procedures and meet as often as necessary at such places as considered necessary. The Working Group, if required, may induct official/s with expertise on the subject to facilitate completion of the task.

6) The Working Group will submit its report to NABARD on or before 29 February 2008.

(Dr. K.G.Karmakar)

Managing Director

National Bank for Agriculture and Rural Development

Head Office

Mumbai

22 November 2007

List of RRBs that have responded to the Questionnaire

SI	RRB Name	Spon. Bank	State
1	Lucknow KGB	Allahabad Bank	Uttar Pradesh
2	Triveni KGB	Allahabad Bank	Uttar Pradesh
3	Chaitanya Godavari	Andhra Bank	Andhra Pradesh
4	Rushikulya GB	Andhra Bank	Andhra Pradesh
5	Baroda Eastern UP	Bank of Baroda	Uttar Pradesh
6	Baroda Rajasthan GB	Bank of Baroda	Rajasthan
7	Baroda Western UP GB	Bank of Baroda	Uttar Pradesh
8	Jhabua-Dhar KGB	Bank of Baroda	Madhya Pradesh
9	Nainital-Almora KGB	Bank of Baroda	Uttaranchal
10	Baroda Gujarat GB	Bank of Baroda	Gujarat
11	Aryavrat GB	Bank of India	Uttar Pradesh
12	Narmada Malwa GB	Bank of India	Madhya Pradesh
13	Ratnagiri-Sindhudurg GB	Bank of India	Maharashtra
14	Solapur GB	Bank of India	Maharashtra
15	Thane GB	Bank of Maharashtra	Maharashtra
16	Mewar AGB	Bank of Rajasthan	Rajasthan
17	Ballia KGB	Central Bank of India	Uttar Pradesh
18	Hadoti KGB	Central Bank of India	Rajasthan
19	Kosi Ksh GB	Central Bank of India	Bihar
20	Satpura KGB	Central Bank of India	Madhya Pradesh
21	Uttar Banga KGB	Central Bank of India	West Bengal
22	Uttar Bihar KGB	Central Bank of India	Bihar
23	Pragathi GB	Canara Bank	Karnataka
24	Shreyas GB	Canara Bank	Uttar Pradesh
25	South Malabar GB	Canara Bank	Kerala
26	Durg-Rajnandgaon GB	Dena Bank	Chhattisgarh
27	Neelachal GB	Indian Overseas Bank	Orissa
28	Pandyan GB	Indian Overseas Bank	Tamil Nadu
29	Saptagiri Grameena Bank	Indian Bank	Andhra
30	Kamraz RB	J&K Bank	Jammu & Kashmir
31	Faridkot Bathinda KGB	P& S Bank	Punjab
32	Haryana KGB	Punjab National Bank	Haryana
33	Madhya Bihar GB	Punjab National Bank	Bihar
34	Punjab GB	Punjab National Bank	Punjab
35	Rajasthan GB	Punjab National Bank	Rajasthan
36	Sarva UP GB	Punjab National Bank	Uttar Pradesh
37	Deccan GB	State Bank of Hyderabad	Andhra
38	Andhra Pradesh GVB	State Bank of India	Andhra
39	Arunachal Pradesh RB	State Bank of India	Arunachal
40	Chhattisgarh GB	State Bank of India	Chhattisgarh
41	Krishna GB	State Bank of India	Karnataka
42	Langpi Dehangi RB	State Bank of India	Assam
43	Madhya Bharat GB	State Bank of India	Madhya Pradesh
44	Samastipur KGB	State Bank of India	Bihar
45	Utkal Gramya Bank	State Bank of India	Orissa

SI	RRB Name	Spon. Bank	State
46	Vananchal GB	State Bank of India	Jharkhand
47	Malwa GB	State Bank of Patiala	Punjab
48	Saurashtra GB	State Bank of Saurashtra	Gujarat
49	MGB Gramin Bank	State Bank of Bikaner & Jaipur	Rajasthan
50	Andhra Pragathi GB	Syndicate Bank	Andhra
51	Gurgaon GB	Syndicate Bank	Haryana
52	Karnataka Vikas GB	Syndicate Bank	Karnataka
53	North Malabar GB	Syndicate Bank	Kerala
54	Prathama Bank	Syndicate Bank	Uttar Pradesh
55	Assam GVB	U.B.I	Assam
56	Bangiya GVB	U.B.I	West Bengal
57	Jaipur Thar GB	UCO	Rajasthan
58	Kalinga GB	UCO	Orissa
59	Kashi Gomti Samyut	Union Bank of India	Uttar Pradesh
60	Visveshwaraya GB	Vijaya Bank	Karnataka