

Training and Development scenario at HDFC Bank

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Abstract

The HDFC Bank has regularly been focusing on the training of its employees, both on-the-job as well as through training programmes conducted by internal and external faculty. The bank lists and recognizes its human resources as one of its stated core values. The Bank has built a strong training infrastructure, which seeks to upgrade skill levels across grades and functions through a combination of in-house and external programmes. The flagship in-house programmes include the Induction Programmes for new entrants and Credit and Foreign Exchange Programmes for building up a pool of specialists in the respective domains. External Programmes encompass value-added programmes on Team Building and Leadership, Organizational Development, Management Development Programmes, People Management Programmes; all conducted by premier institutes like the IIMs, Administrative Staff College of India (ASCI) and ISB Hyderabad. Senior functionaries have also been deputed overseas to attend specialized programmes intended to keep them updated on developments in the world economy. This study aims at analysing the training and development practices in HDFC bank.

1. Introduction

The HDFC Bank was promoted by the Housing Development Finance Corporation, a premier housing finance company of India (setup in 1977) with an initial share capital of Rs. 100 million. At present HDFC Bank has over 2500 branches and over 3000 ATMs in over 550 cities in India; and all branches of the bank are linked on an online real-time basis. Initially, Housing Development Finance Corporation Limited or HDFC was founded in 1977 by Ravi Maurya and Hasmukhbhai Parekh. It is an Indian Non-Banking Finance Corporation (NBFC) focusing on home mortgages. HDFC's distribution network spans 243 outlets that include 49 offices of HDFC's distribution company, HDFC Sales Private Limited. To cater to non-resident Indians, HDFC has an office each in London and Dubai; and service associates in Kuwait, Oman, Qatar, Sharjah, Abu Dhabi, Al Khobar, Jeddah and Riyadh in Saudi Arabia.

The bank believes in empowering its employees and constantly takes various measures to achieve this. The Human Resources (HR) agenda of the bank aims to create a team of empowered employees-oriented for the realization of bank's vision. During its life span, the key human resource issues that were addressed related to learning and skill development, management of performance, ensuring an enhanced work- life balance and attrition management. The employee engagement initiatives of the bank are focused on providing opportunities to staff to seek as operational roles through internal job postings and periodic job rotations, making the compensation structure more competitive, streamlining the performance-linked rewards and incentives, and generally sending a clear message of meritocracy.

2 Objectives and Research Methodology

Objectives of study:

1. To study the profile of HDFC Bank
2. To explore .the HRM practices being followed at HDFC Bank
3. To analyze the Training and Development (T&D) scenario at HDFC Bank.

Research Methodology

It is always important to be critical of the information presented in sources, especially since the material might have been gathered to address a different problem area. Moreover, many secondary sources do not clearly describe issues such as the purpose of a study, how the data has been gathered, analysed and interpreted making it difficult for the researcher to assess their usefulness. In order to address this problem I have tried to triangulate the secondary data by using numerous independent sources.

The information about the problem is collected from the Research Journals, Trade Magazines, Annual Reports of Banks and the Internet. For evaluating the T&D practices being followed at HDFC bank, I have focused on as recent material as possible. In order to get access to the T&D practices being followed in this bank, I have explored a number of articles published in academic journals and trade magazines. We have also used secondary information from Internet based discussion forums.

3. HDFC Bank Profile

The Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an ‘in principle’ approval from the Reserve Bank of India (RBI) to set up a bank in the private sector, as part of RBI’s

liberalisation of the Indian Banking Industry in 1994. The bank was incorporated in August 1994 in the name of 'HDFC Bank Limited', with its registered office in Mumbai, India. HDFC Bank commenced operations as a Scheduled Commercial Bank in January 1995.

The report published in site of NDTV Profit¹ states that the HDFC Bank was incorporated on August 1994 by the name of 'HDFC Bank Limited', with its registered office in Mumbai, India. HDFC Bank commenced operations as a Scheduled Commercial Bank in January 1995. The Housing Development Finance Corporation (HDFC) was amongst the first to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector, as part of the RBI's liberalization of the Indian Banking Industry in 1994.

HDFC Bank is headquartered in Mumbai. The Bank at present has an enviable network of over 1416 branches spread over 550 cities across India. All branches are linked on an online real-time basis. Customers in over 500 locations are also serviced through Telephone Banking. The Bank also has a network of about over 3382 networked ATMs across these cities.

The promoter of the company HDFC was incepted in 1977 is India's premier housing finance company and enjoys an impeccable track record in India as well as in international markets. HDFC has developed significant expertise in retail mortgage loans to different market segments and also has a large corporate client base for its housing related credit facilities. With its experience in the financial markets, a strong market reputation, large shareholder base and unique consumer franchise, HDFC was ideally positioned to promote a bank in the Indian environment.

¹ NDTV Profit website, http://profit.ndtv.com/stock/hdfc-bank-ltd_hdfcbank/reports, accessed in August 2016

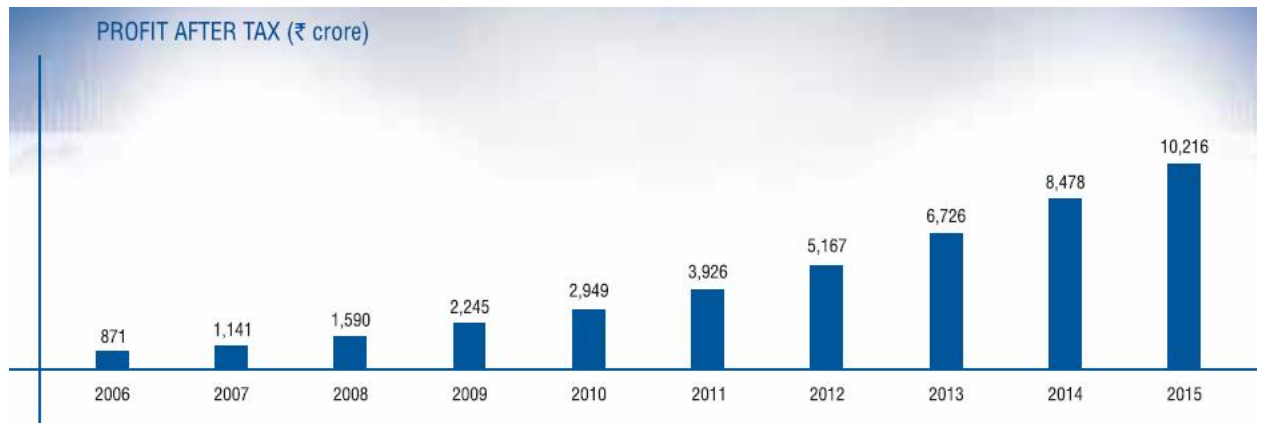


Figure 1: Profit after Tax of HDFC Bank
Source: Annual Report HDFC Bank 2015-16

4. Human Resource Management Policies and Practices at HDFC Bank

HDFC Bank uses a comprehensive human resources policy framework to respond to changing human resources requirements. Rapid growth in a burgeoning new market should be the cause for celebration, unless the organization that's growing can't keep up with the demands of an expanding workforce or simplify the management of multiple databases. But Mumbai based HDFC Bank did not let that happen. Initially, the premier bank in the corporate sector, HDFC Bank began its expansion into the retail market in 1995 and has added thousands of new customers each day and managed dramatic increases in its retail loan portfolio.

The bank faced the challenges that came with rapid success. HDFC Bank has established itself as a leader in eliminating the inefficiency traditionally associated with resource planning and management, and bank management knew just what to do. Due to significant growth in the number of its employees over the past few years, the bank could no longer handle its human capital management on Microsoft Excel spreadsheets and home grown reports. In addition, the management well understood that

high growth rates might have jeopardized its capacities and servicing quality, while tension about relative compensation levels between the sales personnel in the branch and operations could have threatened HDFC Bank's culture. The bank has also implemented Oracle Human Resources applications so that human resource planning and tracking could be handled more efficiently. The bank had already compiled large amounts of data about its employees, but it lacked a workable way to store other kinds of information, such as data about family members and career paths at HDFC Bank.

The bank can now capture everything, which gives senior management better data for performance evaluations and helps them do better career planning. The solution also allows the bank to compensate on the basis of performance and provide targeted career development, which raises credibility with employees and helps the bank attract and retain top candidates. HDFC Bank has also implemented Oracle's applications for human resources analysis and reporting across the enterprise, providing management with the ability to drill down into performance and cost on an exceedingly granular level. This gave the bank the flexibility to tailor-made employee recordkeeping while maintaining regular compliance with labour laws. In addition to the automation of actions such as warnings, e-mail notifications, and vacation hour balances gives the bank a complete profile for each employee. The existing comprehensive reporting capabilities save a lot of staff time and allow the bank to handle profiles, skill sets, and training and integrate them with the payroll system.

5. Training and Development Scenario at HDFC Bank

The HDFC Bank has regularly been focusing on the training of its employees, both on the- job as well as through training programmes conducted by internal and external faculty. The bank lists and recognizes its human resources as one of its stated core values. The Bank has built a strong training infrastructure, which seeks to upgrade skill levels across

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The bank also has a comprehensive e-learning module conceptualized and developed inhouse and administered through the intranet. Keeping pace with the growth in the diversity of products on the one hand and manpower on the other, the training man-day shave increased from 57,317 in 2008-09 to 65,378 during the year 2009-10 , registering a growth of 14% over the years.

R Padmanabhan, senior vice-president, HR, learning and development, **HDFC Bank**, says the trick in managing a successful programme is to do “more with less”. So impacting more employees effectively, without spending too much is the answer to successful training. The key to effective training function, he adds, is active participation by all stake holders, including learning managers, HR managers and learner’s managers. Senior leaders are actively engaged at every stage, right from need identification, conceptualising the training programmes...and while conducting sessions. At HDFC Bank — with its induction, on-boarding and behavioural training programmes like service excellence and leadership programmes for various levels — employees are mapped to a training manager and the learning graph of all employees is tracked with

updates available through intranet. The exercise ensures that all concerned participants invest time and effort in the tracking process.

HR managers or the team that assesses training needs in an organisation and designs and manages such programmes must remember that while the main ingredients of a training module may remain constant, the methodology used needs to evolve continuously given the pace at which technology is evolving.

6. Conclusion

The HDFC Bank focuses on training of its employees on a continuous basis, both on the job and through training programmes conducted by internal and external faculty. The Bank has consistently believed that broader employee ownership of its share has a positive impact on its performance and employee motivation.

Prioritizing seniority over performance is not a good practice for attracting the best talent in a competitive environment. However, recruitment practices as well as on-the job training and redeployment are considered as one of those many improvements of HR in the Indian banks.

In nutshell, it can be said that T&D policies and practices of the selected bank in the above background concentrated on training and developing, and motivating employees to work for ensuring that these policies are properly designed and implemented, thereby helping the workers to set and achieve individual and organisational goals.

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