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RESEARCH ARTICLE

A Study of Effectiveness of Training & Development Programme on Bank Employees Performance.

Esha.

Research Scholar, PTU, Jalandhar.

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Abstract

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***Corresponding Author**

Esha.

The Indian banking industry is endlessly going through a process of transformation since nineties, due to the introduction of Liberalization, Privatization and Globalization (LPG), Information and Communication Technology (ICT). Therefore in order to sustain economic and effective performance of Human Resource, it's imperative to optimize their input to the accomplishment of the aims and objectives of the bank through training and development. This paper main objective is to examine level of performance in terms of imparting training. Secondly, the objective is to examine the effectiveness of training and development programmes for employees in fulfilment of their duties. The current research paper is descriptive in nature and created by using primary data collection method through questionnaire filling by the bank employees. Checking of data is done through statistical software to discover the impact of training and development on employees' performance. There are two variable Training and Development (Independent) and Employees' performance (Dependent). The present paper explained that training and development is inevitable and unavoidable. Anyone can cope up with the existing challenges in the wake of severe competition with training and development only.

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Introduction:-

In words of Asare-Bediako (2008) "The ergonomics of the work environment, availability of state of art equipment as well as quality raw materials can make production possible, but it is the only human resources that actually make production happen".

Human resources are a crucial but expensive resource and therefore in order to have perfect, efficient and effective performance of this resource, it's imperative to optimize their input to the accomplishment of the aims and objectives of the bank through training and development. Therefore, it can be concluded that training is necessary to ensure a suitable resource of employees that are technically and socially competent for both departmental and management positions, Mullins (2007).

Training & development:-

It was founded that in early age especially after 2nd world war the organization come to conclusion that to get success, we must apply training concept. After this, all organizations started stressing on training. Very first organization is in United State that started giving training to their employees. After that, in 1910s, some companies (General Electric, Westinghouse, and International Harvester) started their factory schools to give training to their employees in order to improve their practical skills as they realized the importance of training and development. Although even few researchers differ with this concept of importance of training and development for the successful running of organization because it involves huge cost that may affect prioritization.

Training & development plays significant role in attaining organizational objectives by taking care of interest of both employees and organization (Stone J.R. human resource 2002). Employee's performance plays a vital role in achieving organizational goals but there performance depends on variety of factors. To achieve the organizational

goals employee performance is important that depends on a variety of factors. Even then it receives high importance as it helps to enhance the technical skills, conceptual skills & human skills and even capabilities, confidence and competencies of employees. Training take into consideration 'soft' skills such as software training, management training. Whereas development focuses upon the deeds that enhances employee skills for future. It is a long term process that comprises succession planning, mentoring, coaching etc.

In short, it can be said that to achieve the organization goals, role of human capital leads to improvement & development and human capital itself is totally related with training, if your employee is trained he/she can better perform in organizations. The main reason behind to do this study is to determine the effect of training and development on organizational performance. Therefore, organizations should focused more on training than on cost control and efficiency because organization cannot get effectiveness without training and development.

Training:-

Training is simply increasing the skills. The basic aim of any training programme is to inculcate new techniques & skills by providing instruction and experience to new employees which helps to enhance the required level of performance in their jobs quickly and economically. On other side, who are already working, training will support to develop capabilities to enhance their efficiency in their present jobs, helps in learning new techniques & technologies and also prepare them to take on higher responsibilities in the future.

Development:-

Development means over all development of the people. These are designed to encounter definite objectives which helps to contribute to both employee and organizational effectiveness. There are various steps which leads to development. It includes reviewing organizational objectives, evaluating the organization's current management resources, determining individual needs, designing and implementing development programs and evaluating the effectiveness of these programs and measuring the impact of training on participant's quality of work life.

Definitions of Training and Development:-

There are many definitions given by many authors. Few of them are, *According to the Michel Armstrong*, "Training is systematic development of the knowledge, skills and attitudes required by an individual to perform adequately a given task or job".

According to the Edwin B Flippo, "Training is the act of increasing knowledge and skills of an employee for doing a particular job."

Dale Beach defined "Training is usually considered as the organized procedure by which people gain knowledge and increase skill for a definite purpose"

Differences between Training and Development:-

Training is different from management development or executive development. While the former refers to training given to employees in the operational, technical and allied areas, the latter refers to developing an employee in the areas of principles, and techniques of management, administration, organization and allied ones.

Table No. 1 Area	Training	Development
Content	Technical skills and knowledge	Managerial Behavioral skills and knowledge
Purpose	Specific and Job related	Conceptual and General Knowledge
Duration	Short term	Long term
For Whom	Technical and non-managerial personnel	Managerial personnel

Training and development in banks:-

In Banks, there is a need for the continuous training and development of the staff in the areas of customer care services on operational aspects and behavioral aspects of the business. How are the needs identified? The training needs are assessed through task analysis and performance analysis, which can be done or collected by using survey method, or it can be collected from already available information in the departments, customer complaints, even from the reports on 360 degree feedback systems. In case of a large banks, there are two ways of conducting training programmes – through an established department having a full time HRD functionary who oversees all the training and development functions of the Banks or through an external trainers coordinated by the HRD department. These

days Banks have recognized the need for training and re-training their staff to open a competitive edge over their opponents by providing high quality services to the customers.

In earlier times, banks started recruiting young ones, and their initial training was either long apprenticeship or on-the-job or formal training in basic routine operations. Candidates were encouraged to qualify skillfully by reading for associate-ship of the Institute of Bankers or an equivalent qualification. It was also even in controversy that banks require to provide sound training and development programmes for their employees.

Literature review:-

According to **Heath field (2012)**, the right employee training, development and education at the right time, provides big payoffs for the organization in increase productivity, knowledge, loyalty and contribution.

It was claimed by **Baldwin & Johnson (1995)** that training at lower levels will increase the chances of employee migration from one organization to another. **Choo & Bowley, (2007)** also added satisfaction and loyalty of employee's increases by training's higher degree concerning the firm and decreases the chances of employee termination.

Study of **Jadhav (2013)** also concludes about effectiveness of training and development programmes undertaken by banks for their employees. The main objectives of the present study were to analyze effectiveness of training and development programmes for employees and to investigate how customer satisfaction can be achieved by applying training & development programmes. For conducting research, questionnaire is used to collect primary data. A sample of 40 employees is selected by the use of random sampling from different banks like ICICI, HDFC, BOM, Vijaya bank, Bank of Baroda, and Dena Bank located in suburban area of Mumbai. It all finally bring out the result that Private Banks and Public Indian banks which undertake training and development programmes for their employees leads to increase their efficiency. It is just because of training & development which bring out skilled manpower which leads to growth of banking sector in India is the result of skilled manpower which is the outcome of training and development.

In words of **Ramakrishna et al. (2012)** he concluded that HR department plays a most important proactive role in shaping the employees to fight out the challenges. The work of banks is not only to design plans and policies and devise strategies, the actual functionaries have to show competence and effectiveness in executing the said policies and strategies. 85 employees as sample was taken which covers all Canara bank branches in Kurnool District for the study at random. The study revealed that the employees have attended more training and development programmes, employees strongly agreed about the necessity of training and development programmes, majority of the employees rated all preparation of trainers as good, and employees appraised trainers as which creates learning atmosphere and employees given overall rating for training and development programmes.

Sthapit (2012) pointed out that the SHRD (Strategic Human Resource Development) factors affects the evaluation of induction training effectiveness in Nepali banks. The study was based on the survey which was conducted during Feb-March 2012 on 104 lower and middle level of managers of Nepali development banks established from June 2001 to June 2010. The whole study concluded induction training as most important & efficient in terms of learning and least effective on the behavior change criterion.

Purohit (2012) studied the existing policies practiced in co-operative banks to appraise the various stages of HRD practices so that assessment can be made about satisfaction level of employees about HRD practices particularly Training and development & Reward and recognition of employees. In the present study questionnaire along with personal interviews is used to collect primary data. Among many number of banks in Pune, 16 are selected for the study. 30 employees from all levels are taken for information. The selection of cooperative banks is done on random basis. The study revealed that training helps employees to gain better understanding in the area of Job and this will enhance their stock of knowledge. Extensive training providing the continuous development, such as on-the-job training, training programmes and workshops can be a driving factor for the activities in the firm. The present paper also suggests the ways & means by which the selected co-operative banks can improve their high performances of work practices.

Srimannarayana M. (2011) in his study found that Training and Development is very important component in today's Human Resource Management concept and the choice of training and development changes from one organization to another. The study is centered on primary data. Data is collected from 105 HR/Training

professionals working in manufacturing, IT/ITES and service sector having three years as minimum experience in their concerned organization with respect to area of training and development. The study revealed that more than 75% of respondents have believed that performance improvements made because of training is an extremely valuable measure and 70.48% have anticipated that extremely important work is transfer of learning. And almost 95.24% respondents have stated that collect of feedback is done after completion of the training programme routinely. There is a gap between the measures that are used actually in assessing training and development and Training experts don't have control over data that is required for measuring training and development.

Nagar (2009) revealed the effectiveness of training programmes by studying the survey of commercial banks in public as well as in the private sector. The scope of study is restricted to the training centers of State Bank of Bikaner & Jaipur and The Bank of Rajasthan Ltd. The data is collected through a structured questionnaire. The focus of the study is mainly the opinions of the trainees regarding various aspects of training like course duration, library facilities, trainer, teaching & computer aided programme and other infrastructural facilities and the calculated t values are less than table value of t, because of which null hypothesis is accepted or we can say that there is no significant difference in the opinion of respondent at the two staff training centers.

In words of **Ivancevich (2010)**, he brings out the concept that training is a process that aims to provide employees with information, skills and understanding of the organization and its goals. Additionally training and development aids an employee to continue to make the necessary positive contribution to the success of employing organization in terms of his / her good performance on the job.

Cole (1997), says further that training and development is faced by every organization, even though the excellence and passion of the training may vary from one organization to another. He concluded list of factors that tend to impact the quality and quantity of the training and development activities of various organizations as follows:

1. That the degree of change in the external environment e. g. technology, legislation and so on has influence on training and development.
2. That degree of internal change e. g. new processes, new markets, new competitors, has an effect
3. The skills availability within the existing workforce
4. Existing workforce adaptation quality.
5. Degree to which internal career development supported by organisation.
6. Support of senior management which proves training as an essential part of economic success
7. Degree to which management sees training as a motivating factor
8. Required skills & knowledge for implementing training.

Objectives:-

1. To examine level of performance in terms of imparting training.
2. To investigate the effectiveness of training and development on employees performance as in fulfilment of their duties.

Taking these objectives in observation, we postulate that training is positively related to job performance of employees.

Research methodology:-

The present study used descriptive statistics to measure the level of perception across all under study variables and it is based on primary data collected through questionnaire filled by the 105 bank employees which shows the response on 5-point Likert scale ranging from 1= strongly disagree to 5= strongly agree. The study contains one independent variable which is training and dependent variable is employee performance. Moreover, two methods i.e. correlation and regression analysis were done to evaluate the relationship and comparative influence of independent variables (training) on the dependent variable i.e., employee performance.

Analysis and findings

Table-1 : Descriptive Statistics			
	Mean	Standard Deviation	N
Training	3.6489	.94268	105
Performance	3.2801	.60531	105

From the descriptive analysis of the data, it shows that standard deviation for both the variables is less than 1. According to Cohen (2003), for the normal distribution of data standard deviation must have a range of 0 to 1. As is evident that the standard deviation of both the variables fall within the range, the data may be considered normally distributed and Pearson correlation analysis may also be carried to assess relationship between variables under study.

Table-2 : Correlations			
		Training	Performance
Training	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	105	
Performance	Pearson Correlation	.747**	1
	Sig. (2-tailed)	.000	
	N	105	105

** . Correlation is significant at the 0.01 level (2-tailed).

The above table shows the path and power among both dependent and independent variables. It brings out that there is an existence of positive high correlation between dependent factor and employee performance as independent factor to the extent of 74.7% (.747**). This association is significant at 1% level of significance for two tailed test. Regression Analysis is also done for hypothesis testing and studying the variable relationship. The result is shown in the following table:

Table-3 : Regression Analysis Coefficient^a						
Modal B		Unstandardized Coefficients		Standardized coefficients	T	Sig.
		Std. Error	Beta			
1	Constant	1.520	.158		9.634	.000
	Training	.487	.042	.747	11.583	.000
a. Dependent Variable: Performance						

The regression table provides the result of constant, coefficient of determination, t-value. It is the slope of regression line that explains that 1 unit change in independent variable will bring how much change in dependent variable. The coefficient of determination (R^2) explains the quantity of variation happen in dependent variable by the independent variable.

The results of regression interprets the coefficient value 0.747 which shows one percent (1%) change in training (independent variable) can result in 74.7% change in performance (dependent variable). Therefore, if independent variable (training) is increased by 1%, this will result in 74.7% increase in dependent variable (performance). This association is significant & positive which is shown by small p value. The value is .559 of coefficient of determination (R^2) that reveals training accounts to 55.9% variation in performance and this can be observed that other factors might be there that bring variation of 44.1% in the outcome variable. The t value for the hypothesis is 9.634 that training is a major predictor of performance.

Conclusion:-

We find large number of evidences that shows that employees who get training on a regular basis are the ones who provide a higher quality services to the customers. The present study examined the influence of training on performance. It further presents that organizational performance is significantly determined by training imparted to the employees or in other words training is an important antecedent of performance. Performance of an organization

relies on the employee commitment which in turn depends on the HR policy of training and development. The study of relationship of the employees' training with performance is important for today's managers because the modern business trends demands more efficiency, accuracy and effectiveness in less time and less cost and obvious it can be attained only through designing, and development of outstanding training programs to the employees. With the help of addition of more & more training programs in the bank, employees become more interested to get more knowledge about their jobs which eventually helps them in getting promotions among their peer groups. As application of training bring significant influence on employee's work obligation and performance, it is important to reinforce and apply training as part of organizational agendas in achieving organizational goals.

It may conclusively be stated that training to a big extent that leads to an bring out positive change in employee's performance but still it is not the single aspect that leads to good performance rather it is a combination of factors. A lot of future research can be done on different factors in banking industry, but specifically in relation to employees' performance factors like training needs assessment, training programs design, and development are vital to study for judging their impact on employees' performance in banking industry. Managerial and leadership factors also play an important role in increasing employees' training and performance and thus required to be investigated because a good manager or leader either increase or decrease the efficacy of training which in end affect employees' performance. The employee's compensation also has significant effect on the performance because the employees which are not paid well often show poor performance. Growth of banking sector in India is the result of skilled manpower which is the outcome of training and development

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