

THE ROLE OF EMPLOYEE TRAINING ON ORGANIZATIONAL EFFECTIVENESS THROUGH EMPLOYEE EMPOWERMENT IN ICICI BANK

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ABSTRACT

Employees are the most important assets of any organization. Each and every organization needs trained employees to perform activities effectively and efficiently. Training is the continuous process of the organizations that helps to increase skill, knowledge and abilities. The success of the organization depends on well trained employee. In this modern era of globalization training is a back bone for the competent and challenging business like banks. The purpose of the study is to find out the role of employee training on organizational effectiveness through employee empowerment. The study found that employees are motivated through training, which leads to high productivity in the organization. The research study takes a look at employee training and its role on organizational effectiveness (some selected Branches of ICICI in Lucknow, Sitapur and Kanpur U.P), however, the study makes use of both primary as well as secondary data and the questionnaire was distributed to one hundred and ninety six non-executive level employees.

KEYWORDS: *Employee Empowerment, Globalization, Organizational Effectiveness, Training.*

Introduction

When managers start thinking about empowering their employees, they may start to wonder about the consequences for themselves of empowering others. Does empowering others mean giving up one's own power? Does it mean that managers no longer have power over their staff? The most important concern which managers have related to power is the fear that empowering others will deteriorate their own position and their skill to ensure that targets are met and standards maintained. Accustomed to rule-based systems they worry that if the rules are cut away then efficiency will decline too. These are most important and effective concerns so we will look at these types of questions first. Employee Empowerment means to eliminate all the unnecessary rules, procedures, standing orders, etc. which actually stands between the organizations and its goals. The primary aim of employee empowerment is to remove unnecessary restrictions in order to unblock the organizations and the employee who work in it, liberating them from unnecessary limitations which slow their responses and constrain their action. So what is employee empowerment all about, in practice? And what are the benefits of employee empowerment; Empowerment is very simple as well as highly practical and productive way to get the best from yourself and your employee. It goes beyond allocation to place real power where it can be used most effectively: close to the customer. This means devolving not just tasks but decision-making and full responsibility too. *The prominent Dimensions of Employee Empowerment are Autonomy, Communication, Knowledge, Reward, and Self esteem and Leadership.* These dimensions have been correlated with the effect of training on the employee empowerment and the role of training programs has also been analyzed in improving the effectiveness of the banking organization of ICICI bank in selected cities.

Conceptual Framework of Training

Training is crucial for organizational development and success. It is fruitful to both employers and employees of an organization. An employee will become more efficient and productive if he is trained well.

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Training is given on four basic grounds:

- New candidates who join an organization are given training. This training familiarizes them with the organizational mission, vision, rules and regulations and the working conditions.
- The existing employees are trained to refresh and enhance their knowledge.
- If any updates and amendments take place in technology, training is given to cope up with those changes. For instance, purchasing new equipment, changes in technique of production, computer impalement. The employees are trained about use of new equipment's and work methods.
- When promotion and career growth becomes important. Training is given so that employees are prepared to share the responsibilities of the higher level job.

The benefits of training:

- **Improves Morale of Employees:** Training helps the employee to get job security and job satisfaction. The more satisfied the employee is and the greater is his morale, the more he will contribute to organizational success and the lesser will be employee absenteeism and turnover.
- **Less supervision:** A well trained employee will be well acquainted with the job and will need less of supervision. Thus, there will be less wastage of time and efforts.
- **Fewer Accidents:** Errors are likely to occur if the employees lack knowledge and skills required for doing a particular job. The more trained an employee is, the less are the chances of committing accidents in job and the more proficient the employee becomes.
- **Chances of Promotion:** Employees acquire skills and efficiency during training. They become more eligible for promotion. They become an asset for the organization.
- **Increased Productivity:** Training improves efficiency and productivity of employees. Well trained employees show both quantity and quality performance. There is less wastage of time, money and resources if employees are properly trained.

Methods of Training

- **On the Job Training:** On the job training methods are those which are given to the employees within the everyday working of a concern. It is a simple and cost-effective training method. The in proficient as well as semi- proficient employees can be well trained by using such training method. The employees are trained in actual working scenario. The motto of such training is "learning by doing." Instances of such on-job training methods are job-rotation, coaching, temporary promotions, etc.
- **Off the Job Training:** Off the job training methods are those in which training is provided away from the actual working condition. It is generally used in case of new employees. Instances of off the job training methods are workshops, seminars, conferences, etc. Such method is costly and is effective if and only if large number of employees have to be trained within a short time period. Off the job training is also called as vestibule training i.e., the employees are trained in a separate area (may be a hall, entrance, reception area etc. known as a vestibule) where the actual working conditions are duplicated.

Organizational Effectiveness-Conceptual Framework/ Review Literature

Any discussion on Organizational Effectiveness needs to be preceded by the changing nature of organizations over the decades. Over the last 100 years or so, the overall movement in organization literature has been away from closed, rational nature of organizations to more unique, tailored and flexible. The theorists of the notion that organizations were closed, rational entities assumed that the organizations were fairly generic.

The rational, closed organization was characterized by a very high degree of internal control and stability. It was this much admired feature that had to face criticism as being irrational, misguided and even foolhardy. One of the main arguments advanced against the closed nature was its inability to respond to complex and uncertain environmental situations. This was the breeding ground for the natural systems perspective which is identifiable with organizations being social collective entities with survival as the main concern. The survival required harnessing the minds and the hearts of the participants. The Human Relations School received very wide acceptance from this perspective. The newer version of this view has been harnessing the minds of not only the participants but also other stakeholders.

As organizations' interaction with the environment grew in degree and in kind, the attention shifted to an open systems perspective. Some authors identified open systems with two system processes-one that maintains a system in its given form and second, that change a system. It is at this point that organizations were broadly classified as mechanistic (closed, rational with rigid processes) and organist (flexible and adaptive). Hence an organization was considered to be appropriately designed .when that design enabled it to execute better, learn faster and change more easily. While the classic bureaucratic style was considered suitable for organizations with low task complexity and a stable environment, organizations, which had highly complex tasks and unstable, dynamic environment, had to have the organic design

Indicators of Organization Effectiveness

According to the existing literature on organizational effectiveness, short-run indicators of effectiveness are:

- Production-reflects the ability of an organization to produce the quantity and quality of output that the environment demands.
- Efficiency can be defined as the relation of outputs to inputs.
- Satisfaction-the conceptualization of the organization as a social system requires that some consideration be given to the benefits received by an organizational participant, as well as by the customers, Satisfaction is the label for this criterion, and its measure includes attitude data, turnover absenteeism, tardiness and grievances

Indicators of Organization Effectiveness

According to the existing literature on organizational effectiveness, short-run indicators of effectiveness are:

- Production-reflects the ability of an organization to produce the quantity and quality of output (whatever it is) that the environment demands.
- Efficiency-can be defined as the relation of outputs to inputs
- Satisfaction-the conceptualization of the organization as a social system requires that some consideration be given to the benefits received by an organizational participant, as well as by the customers, Satisfaction is the label for this criterion, and its measure includes attitude data, turnover absenteeism, tardiness and grievances

Significance of the Study

Indian banking sector emerged from the strong global financial disorder and proved its mettle when the developed economies were shaking. The need for Employee training gained greater importance in service-oriented institutions like banks. As employees in service organizations like banks have frequent contacts with the customer, they usually serve as representatives for the organization and their products and services to the customer at the contact point. When service interactions are not properly controlled and handled, the outcome is poor perception of service quality that leads to customer dissatisfaction. The quality of service and satisfaction that the customer may derive will be an assessment of the entire banking experience. Thus, the employees play a major role in determining whether a customer would enjoy the experience or turn to their competitors for better solutions.

Empowerment Practices

Organizational Effectiveness



Few attempts have been made to link it to structural empowerment. As stated earlier, in the domain of this study structural empowerment has been defined as a set of conditions that 'shape' or 'structure' the sense of empowerment. The present study will focus to examine the extent of inter relation between the role of training and organizational effectiveness in banking employees with respect to ICICI bank in U.P.I prefer this bank because it is large in terms of working, employees and turnover. Among the various elements of employee empowerment, the present study will be related to training which is highly relevant to employee empowerment.

Objective of the Study

The main objective of this research is to examine the role of employee training on organizational effectiveness through empowerment of employee, in selected ICICI bank in Uttar Pradesh. The study focused on critically explores the association between employee empowerment and organizational effectiveness; to understand the relationship only one independent variables of employee empowerment i.e. Training is taken, has been selected.

However, the specific objectives of the present study are:

- To go insights into the concept of employee training.
- To examine the role employee training on organizational effectiveness in ICICI bank.

Research Hypothesis

On the basis of the objectives of the study, the following hypothesis is formulated as follows:

H₀: There is no significant relation between employee training and organizational effectiveness.

Research Methodology

Sample Size and Design

The sample units have been selected by a simple random sampling approach and the respondents are selected by applying purposive sampling technique.

- **Sample Universe:** The total of non-executive level employee [cleric, Assistant, Senior assistant, Special assistant, Senior special assistant] from bank of ICICI.
- **Sample Units:** The sample units are some selected branches of ICICI bank in Lucknow, Sitapur and Kanpur.

The nine questions about such things as name, address, gender, age, marital status, educational credentials, employment, living status, and monthly income, have been asked from respondents.

Respondents Profile

| Sex | Frequency | Percentage |
|--------|-----------|------------|
| Female | 61 | 30.9 |
| Male | 135 | 69.0 |
| Total | 196 | 100.0 |

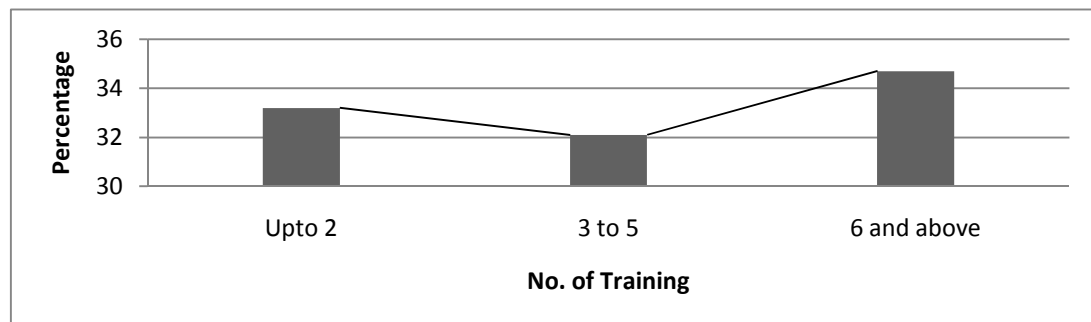
Level of Training

The challenges associated with changing the workplace and work environment are as real on campus as in other areas. Rapid change requires skilled, knowledgeable, and flexible staff, flexibility, and focus on the future.

| No. of Training Attended | Frequency | Percentage |
|--------------------------|-----------|------------|
| Up to 2 | 65 | 33.2 |
| 3-5 | 63 | 32.1 |
| Above 6 | 68 | 34.7 |
| Total | 196 | 100.0 |

Frequency Distribution of Level of Trainings of Bank Employees

Bar diagram represents the Level of Trainings of bank employees



Null Hypothesis: There is no significant difference between No. of training attended and dimensions of Employee Empowerment of Bank Employees

| Dimensions of Employee Empowerment | No. of training attended | | | F value | P value |
|------------------------------------|--------------------------|-----------------|-----------------|---------|----------|
| | Up to 2 | 3-5 | 5-7 | | |
| Autonomy | 24.39 (3.11) | 24.56 (2.90) | 24.71 (2.95) | 0.765 | 0.466 |
| Communication | 25.21 (4.14) | 26.14 (3.06) | 27.94 (3.19) | 42.091 | <0.001** |
| Training | 17.21 (2.77) | 17.37 (2.24) | 17.46 (2.13) | 0.743 | 0.476 |
| Knowledge | 23.31 (4.67) | 25.21 (2.87) | 25.16 (3.32) | 22.306 | <0.001** |
| Reward | 41.26 (7.85) | 41.84 (5.67) | 42.01 (4.99) | 1.035 | 0.356 |
| Self esteem and Leadership | 14.93 (3.38) | 15.56 (2.43) | 15.70 (2.69) | 5.404 | 0.005** |

ANOVA for Significant Difference between Numbers of Training Attended With Respect To Dimensions of Employee Empowerment

Note: 1. The value within () refers to standard deviation

2. ** Denotes significant at 1% level

3. * Denotes significant at 5% level

Since the above table shows the p-value, which is less than 0.01, Therefore, it has been concluded that there is a big difference between the number of educated people and the knowledge, courage, and empowerment in the workforce as a whole.

Since the p-value is less than 0.05, the null hypothesis is rejected by five percent of the value. Therefore, it has been found that there is a big difference between the training you receive and the rewards and direction. In strength and knowledge, staff does not differ significantly in the number of trainers.

Null Hypothesis: It is observed that there is no association between no. of training attended and organizational effectiveness of ICICI bank employees.

| No. of Training Attended | Level of Organizational Effectiveness | | | Total | Chi-square value | P value |
|--------------------------|---------------------------------------|------------------------|------------------------|-------|------------------|---------|
| | Low | Moderate | High | | | |
| Up to 2 | 22 [37.0] (34.0) | 30 [29.0] (46.6) | 13 [42.1] (19.5) | 65 | 11.883 | 0.219* |
| 3-4 | 17 [28.6] (27.6) | 36 [33.4] (56.4) | 10 [33.0] (16.0) | 63 | | |
| 5-7 | 21 [34.4] (30.5) | 40 [37.7] (58.5) | 7 [24.8] (11.0) | 68 | | |
| Total | 60 | 106 | 30 | 196 | | |

Chi-Square Test for Association between No. of Training Attended and organizational effectiveness of Bank Employee

Note: 1. The value within () refers to Row Percentage

2. The value within [] refers to Column Percentage

3. * Denotes significant at 5% level

A value less than 0.05, the null hypothesis is rejected by 1 percent of the p-value. Therefore, it has been found that there was a correlation between the number of trained attendees and staff satisfaction. The respondents attended the two training programs have lower and higher satisfaction, accounting for 34.0 percent and 22.8 percent respectively. Respondents participating in 3 to 4 training programs have low and high satisfaction, reaching 28.6 and 16.0 percent respectively. Respondents participating in the 5 to 7 training programs have low and high satisfaction, reaching 34.4 percent and 24.8 percent respectively. From this, it was found that employees who study up to two courses have less satisfaction while employees who go to training 5-7 have higher organizational performance.

Interpretation of the Relationship between Numbers of Training Attended and Dimensions of Employee Empowerment

The analysis shows that experience and reward have F-value of 9.243, which is very important, and it shows a big difference between Experience and rewards. While the experience and knowledge is having the F-value of 13.524, which is very significant in percentage, indicating a significant difference

between experience and knowledge. The F-value for Experience and Independence is 22.545, which shows large percentage, indicating a significant difference between experience and independence. The F-value of 6.314 for experience, high self-esteem, and leadership, which is very important at 5 percent, indicates a significant difference between experience, self-esteem, and leadership.

Findings & Suggestions

Through the above analysis, it has been found that the training either on-job or of-job is very useful and leads to the other determinants of employee empowerment. The motivated or empowered employee increases his productivity efficiency that also leads to the overall organizational effectiveness.

In the analysis the employees have been classified into three different bases of number of training attended by them during the selected time period. The study analysis found that more training improves the employee or organizational effectiveness because it helps in tackling the operational and organizational operational problems and it is clear in the above chi-square test analysis that the employees participating in more than five training programs, are more efficient in performing the organizational activities and in achieving the primary objectives of the organization.

Therefore, it has been found that there is a significant relationship in between the employee training and organizational effectiveness and the null hypothesis is rejected.

On the basis of above analysis and findings in the study, some suggestions can be put forward, and it should be followed by the ICICI banks, that will help in enhancing organizational effectiveness through its empowered employees.

- An environment of faith should be framed whereas the employee and the employer both feel safe and secured for their job that will increase the organizational productivity.
- Recreational facilities should be provided so as to reduce the stress level and tiredness among the organizational employees and provide them with a reputed work through proper training programs.
- In many of the private sector banks, more frequent trainings for their employees has been noticed which has changed their perspective to work, it should also be opted by the ICICI for improving the morale of the organizational employees.

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