

IMPACT OF TRAINING AND DEVELOPMENT ON EMPLOYEE'S PERFORMANCE IN BANKING SECTOR

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ABSTRACT

Due to Dynamic nature of the environment, the Indian banking system is going through a process of transformation. So, for the development of organisation as well as employees training and development is important. The objective is to determine the impact of training and development on employee performance .This research paper contain descriptive type and it is based on primary data collected through questionnaire. The findings suggest that training and development enhance employee's efficiency and effectiveness but before this their need of training should be analyse properly. The Sample of 116 respondents was collected who are working in the banking sector (including private, public sector banks) to know their response regarding how training and development impact banking employee's performance, which training method most used in banking sector and training helps in reducing the stress level of employees and minimize the faults in operations.

Keywords: *Training, Development, Productivity, Employee Performance, Banking Sector, T & D.*

Introduction

Training is mainly concerned with the improvement of practical, technical, and mechanical skills of the trainers. Development is concerned with theoretical and conceptual knowledge of managers. Now in today's scenario most of the fields require training. In human resource management training and development is one of the most important function of any organization especially in banking sector.

Training is an important tool in the wholesome strategy for development. Apart from the organization (banking sector), imparted training creates additional capabilities in the employees to do the job better and with more confidence. Now banking sector are developing different approaches, which are significantly different from one other. Some banks have formulated detailed human resource policies, which are proactive as far as staff in the bank concerned. Some banks has followed that policies, which transform the bank progress continuously and innovative steps to provide best customer service through well prepared and equipped staff, such banks will have a benevolent approach towards its human resource both in the individual well being as also organizational (banks) placement, enhancement of skills and capabilities and enabling them to work with mentor for his/her long-term career progression.

The training and development in today's changing environment is becoming more and more dynamic. The core function of any training department is to bridge the gap between the changing requirement of the job & the abilities that individuals need to perform these tasks such as self-directed leadership, self-motivated terms & self generated creativity to excel in their respective areas of performance.

Literature Review

Different literature review not only provides the knowledge but also helps in analyzing the study area. Motivate us to increase the scope of research along with providing theoretical and practical knowledge.

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- **Rana, N. , Chaudhery, U. (2012)**, appraise the level of HRD practices to assess the employees satisfaction level about the Training and development as well as the reward and recognition of employees. It was found that training helps the employees to gain better understanding of their Job, what is to be done and then how to do it.
- According to research study of **Ramakrishna (2012)** In order to meet the challenges from other competitive banks the executives of the bank are now in the position to modify their traditional human resources practice into innovative human resources practices. This study has been conducted to identify the areas of professional weaknesses to rectify well in advance so that no loss takes place in the organization.
- According to research study of **Mahbuba Sultana (2013)** Data was collected from 1414 employees. The study was done in Dhaka. Correlation methodology was used in the research. From their study concludes that employees is the valuable resource for any organization and the success and failure depends upon the performance and productivity of the employees and this study proves that the training improves the productivity and efficiency of the employees.
- According to research study of **Ahmed Mohamed Mohamud (2014)** suggested that training affects the employee performance in public sector organization of Kenya. Collect 100 responses. Data analysis was done through descriptive statistic. Findings showed training has a positive impact on employee performance and benefits both the individual employees and the organization.
- According to research study of **Prof Dr. Abdul Ghafoor Awan & Farwa Saeed (2014)** suggested that training enhance the quality of service and improve employee performance. Data was collected from both type of banks i.e. Public and private sector bank. In their study Random sampling method has been used for data collection from the public and private sector banks of Lahore, Multan & Dera Ghazi khan. Findings show that training is an effective tools for employee's development.
- According to research study of **Ekta Srivastava & Dr Nisha Agarwal (2014)** highlighted that training is very necessary in this changing environment. The findings suggest that training in private sector bank is far better than public sector banks. The designing of training programs should be prepared in such a way that it is easily understand by the employees so that it will beneficial for the banks as well as to the employees. For data analysis and computation they used primary method and secondary method both used. Structured questionnaire used which was filled from various branches of axis bank and secondary data was collected from annual reports of syndicate banks and axis banks for the year 2008 to 2013 that data was published by RBI.

Research Methodology

Objective of the study

- Impact of training and development on banking employee's performance.
- Satisfaction of employees from the training and their process or designing.
- In future executive development programme is provided.
- Training helps the employees in promotion and monetary benefit in future.
- To determine which method of training helps in reducing the stress of the employees and minimize the faults in day to day operation.

Sample Size

A sample of 116 respondents were taken into consideration

Sources of Data Collection

Both primary and secondary source of collection were used. In Primary source, Questionnaire method is used and in secondary method books, journals, published research papers etc.

Tools used

In this Structured Questionnaire formed though Goggle forms and sent online to banking employees. SPSS tool is used to get output of correlation, frequencies , mean , standard deviation, regression.

Data Analysis

The following Analytical tools are undertaken for the research study in order to state the opinion of various respondents regarding the training & development and their impact employees performance in banking sector and further formulating the statistical result derived out of it from various statistical techniques such as:

- Frequency
- Mean
- Standard Deviation
- Correlation
- Regression

Q.1 From the following method under which training method you have trained?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	On the job method	39	33.6	33.6	33.6
	Off the job method	8	6.9	6.9	40.5
	Both	69	59.5	59.5	100.0
Total		116	100.0	100.0	

Interpretation

From the above chart depicts that employees trained mostly from the both method i.e. On the job training method and Off the job training method. 59.5% employees trained from both the methods of training But 33.6% employees trained through On the job training method which is more than Off the job training method which is 6.9%. From all the we conclude that banking employees trained with both the methods., its frequency shows 69.

Q.2 If you trained On the job training method then from the following which method you had undergoes?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Job rotation	71	61.2	61.2	61.2
	Coaching	35	30.2	30.2	91.4
	Others	10	8.6	8.6	100.0
Total		116	100.0	100.0	

Interpretation

In this most of the employees trained from the job rotation according to employees, which is 61.2%. 30.2% employees trained from the coaching method .But the others method not specify by the employees which they trained..So In On the job training method mostly through job rotation method employees are trained.

Q.3 Whether training which is given relevant according to the need of employees?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	78	67.2	67.2	67.2
	No	9	7.8	7.8	75.0
	Can't say	29	25.0	25.0	100.0
Total		116	100.0	100.0	

Interpretation

Most of the employees agree that they get training according to the need of the employees. 25% employees didn't know that they get training according to the need of the employees. From above table conclude that training need analysis is done in the banking sector not all but in a few banks.

Q.4 Proper formal process of training is followed?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	77	66.4	67.0	67.0
	No	13	11.2	11.3	78.3
	Maybe	25	21.6	21.7	100.0
Total		115	99.1	100.0	
Missing	System	1	.9		
Total		116	100.0		

Interpretation

More than 50% employees agree that formal process of training is followed. Only 11.3 % not agree with that. It means proper discipline is maintained and evaluation of employees is also done after training.

Q.5 Which training method more effective to minimize the faults in operations?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	On the job training method	78	67.2	67.2	67.2
	Off the job training method	30	25.9	25.9	93.1
	Others	8	6.9	6.9	100.0
	Total	116	100.0	100.0	

Interpretation

On the job training is most likely helps in reducing the faults in operations, according to 78 respondents. Only 30 respondents agree that off the job training method more effective to minimize the faults in day to day operation. It means most of the employees comfortable with on the job training method.

Q.6 Which training method helps in reducing the stress level of employees?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	On the job training method	71	61.2	61.2	61.2
	Off the job Training method	32	27.6	27.6	88.8
	Others	13	11.2	11.2	100.0
	Total	116	100.0	100.0	

Interpretation

According to this table 61.2 % employees through on the job training method feel minimum stress level. Only 27.6% comfortable with off the job training method. So from above we can conclude that on the job training method not only minimize the faults but also reduce the stress level.

Q.7 Do you agree that training helps the employees in promotion and monetary benefits in future?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	79	68.1	68.1	68.1
	Disagree	9	7.8	7.8	75.9
	Neutral	28	24.1	24.1	100.0
	Total	116	100.0	100.0	

Interpretation

Out of 116 employees, 68.1 employees agree that through training promotion , monetary , non – monetary benefit is possible..Only 9 employees not agree with that. From this we can conclude that training helps the employees to achieve the career goal along with organizational goal.

Hypothesis

- H₀:** There is no relationship between employees trained with different on the job training methods and training helps in promotion and monetary benefits in future.
- H₁:** There is a relationship between employees trained with different on the job training methods and training helps in promotion and monetary benefits in future.
- H₀:** There is no relationship between training methods helps in reducing the stress level of employees and training methods more effective to minimize the faults in operations.
- H₁:** There is a relationship between training methods helps in reducing the stress level of employees and training methods more effective to minimize the faults in operations

Statistics					
		Which training method more effective to minimize the faults in operations ?	which training method helps in reducing the stress level of employees?	If you trained On the job training method then from the following which method you had undergoes?	Do you agree that training helps the employees in promotion and monetary benefits in future?
N	Valid	116	116	116	116
	Missing	0	0	0	0
Mean		1.40	1.50	1.47	1.56
Std. Deviation		.617	.692	.652	.858
Sum		162	174	171	181

Relationship between on methods of training and training helps the employees in promotion & monetary benefits in future and reduce stress level and minimize faults in operations.

Correlations					
		If you trained On the job training method then from the following which method you had undergoes?	Do you agree that training helps the employees in promotion and monetary benefits in future?	Which training method more effective to minimize the faults in operations ?	Which training method helps in reducing the stress level of employees?
If you trained On the job training method then from the following which method you had undergoes?	Pearson Correlation	1	.345**	.134	.202 [*]
	Sig. (2-tailed)		.000	.152	.029
	N	116	116	116	116
Do you agree that training helps the employees in promotion and monetary benefits in future?	Pearson Correlation	.345**	1	.135	.154
	Sig. (2-tailed)	.000		.148	.099
	N	116	116	116	116
Which training method more effective to minimize the faults in operations ?	Pearson Correlation	.134	.135	1	.367**
	Sig. (2-tailed)	.152	.148		.000
	N	116	116	116	116
which training method helps in reducing the stress level of employees?	Pearson Correlation	.202 [*]	.154	.367**	1
	Sig. (2-tailed)	.029	.099	.000	
	N	116	116	116	116

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

* . Correlation is significant at the 0.05 level (2-tailed).

Moderate Correlation Range

Positive Moderate Correlation- +0.25 _ +0.75

Negative Moderate Correlation -0.25_ -0.75

Inferences

- In this the correlation between trained with different on the job training method and training helps in promotion and monetary benefits in future is 0.345 as it lies between the range +0.25_ +0.75. Here also their exist a relationship between these two variables at moderate level but doesn't indicate perfect correlation.
- In this the correlation between training methods helps in reducing the stress level of employees and training methods more effective to minimize the faults in operations is 0.367 as it lies between the range +0.25_ +0.75. Here also their exist a relationship between these two variables at moderate level but doesn't indicate perfect correlation.

Analysis using linear regression for training methods and training helps the employees in promotion & monetary benefits in future

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.345 ^a	.119	.111	.615

a. Predictors: (Constant), Do you agree that training helps the employees in promotion and monetary benefits in future?

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.817	1	5.817	15.384	.000 ^b
	Residual	43.105	114	.378		
	Total	48.922	115			

a. Dependent Variable: If you trained On the job training method then from the following which method you had undergoes?

b. Predictors: (Constant), Do you agree that training helps the employees in promotion and monetary benefits in future?

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.065	.119		8.954	.000
	Do you agree that training helps the employees in promotion and monetary benefits in future?	.262	.067	.345	3.922	.000

a. Dependent Variable: If you trained On the job training method then from the following which method you had undergoes?

Inference

We note that intercept slope terms are 1.065 and 0.262 respectively. This shows that 0.262 increase in promotion and monetary benefits in future due to 1.065 increase in different methods of on the job training methods

Correlation results indicate that there is a relationship between trained with different on the job training methods and training helps the employees in promotion and monetary benefits in future (sig= 0.000 r= 0.345). R is the multiple correlation coefficients, between the predicated values of which on the job training method had undergoes the dependent variable and employees promotion and monetary benefits the independent variable. Adjusted R-square shows that 0.119 of the variance the independent variable which means 11.9% of the change in the which on the job training method the dependent variable. Std. Error of the estimated is 0.615 compared with the mean of the "Predicted" value of the dependent variable. The computed value of F is 15.384 at 5% significance level. The tabulated value for F₁₄₈ at 5% level is 3.90. As our F value is 15.384 and this is very high with respect to tabulated value which means hypothesis accepted

Equation: Trained with different on the job training methods= 1.065 + 0.262

Analysis using linear regression for training methods helps in reducing stress level and more effective to minimize faults in operations

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.367 ^a	.135	.127	.576

a. Predictors: (Constant), which training method helps in reducing the stress level of employees?

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.891	1	5.891	17.734	.000 ^b
	Residual	37.868	114	.332		
	Total	43.759	115			

a. Dependent Variable: Which training method more effective to minimize the faults in operations ?

b. Predictors: (Constant), which training method helps in reducing the stress level of employees.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.906	.128		7.061	.000
	which training method helps in reducing the stress level of employees?	.327	.078	.367	4.211	.000

a. Dependent Variable: Which training method more effective to minimize the faults in operations?

Inference

We note that intercept slope terms are 0.906 and 0.327 respectively. This shows that 0.327 increases in different methods of training reduce stress level of employees due to 0.906 increases in different methods of training more effective to minimize the faults in operations.

Correlation results indicate that there is a relationship between training methods helps in reducing the stress of the employees and training helps in minimizing the faults in operations (sig= 0.000 r= 0.367). R is the multiple correlation coefficients, between the predicated values of training methods helps in minimizing the faults in operations the dependent variable and training methods helps in reducing the stress of the employees the independent variable. Adjusted R-square shows that 0.135 of the variance the independent variable which means 13.5% of the change in the dependent variable. Std. Error of the estimated is 0.576 compared with the mean of the "Predicted" value of the dependent variable. The computed value of F is 17.734 at 5% significance level. The tabulated value for F₁₄₈ at 5% level is 3.90. As our F value is 17.734 and this is very high with respect to tabulated value which means hypothesis accepted

Equation: Trained with different on the job training methods= 0.906 + 0.327

It means different training methods reduce the stress level of employees is associated with increase in minimizing the chances of faults in operations.

Findings

In today's environment training play an important role ,especially in banking sector. So findings from this project are:

- Banking employees mostly trained with both the methods of training:
 - On the job training method
 - Off the job training method
- On the job training is most likely helps in reducing the faults in operations, according to 78 respondents. Only 30 respondents agree that off the job training method more effective to minimize the faults in day to day operation. It means most of the employees comfortable with on the job training method.
- From the employees response we find that training need analysis is also done for the existing employees of the banking sector.
- We find the moderate correlation between the methods of training and it helps in promotion and future benefits in future. It shows that training helps in the career development of the employees.
- From the data analysis moderate correlation is also exist in training reduce the stress level and more effective to minimize the faults in operations which is beneficial for both employees and banks.
- According to this table 61.2 % employees through on the job training method feel minimum stress level. Only 27.6% comfortable with off the job training method. So from above we can conclude that on the job training method not only minimize the faults but also reduce the stress level.
- Out of 116 employees, 68.1 employees agree that through training promotion, monetary, non – monetary benefit is possible..Only 9 employees not agree with that. From this we can conclude that training helps the employees to achieve the career goal along with organizational goal.
- To reduce the stress most of the employees consider on the job training method is best as compare to others.
- For minimizing the faults in day to day operations employees also considered on the job training is best.
- More than 50% employees agree that their training improves the performance of the employees.

Conclusion

From the above computation we concluded that all the variables are not significantly correlated, but moderately correlated. In this hypothesis 1 and hypothesis 2 is accepted which shows the training helps in reducing the stress level of employees that how to do the work, complete work on time because if employees gets trained then he/she can know the proper way of doing the work and complete work on time which in turns helps in minimizing the faults in operations also.

In other variables the correlation not exists like the formal process of training, training relevant to the need of employees. Only 67% employees agree that formal process is followed and 67.2 % employees agree that training is given according to the need of the employees. It shows banking sector need to improve in these areas.

Recommendations

- **Need to improve the training process**
It means there is a need to simple the process of training so that employees easily understand what the organization wants, how they trained.
- **Need of competent trainer**
Only good skills not make the trainer competent, he should have convincing, influencing skills so that trainees can also share their problem that where they face problem during the training.
- **Proper training need analysis required**
Training need analysis should be done carefully before giving the training. Because in training a large amount is invested
 - Frequent evaluation of performance of employees should not be done.
 - Training programs not boring, it should be designed in such a way that employees want to engaged in training.

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