

Impact of Training on Employees' Performance: A Study of PNB and SBI Banks

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Abstract

Training and development is incredibly vital for ensuring effectiveness of the employees in an organization. The organizations have stretched understood so as to their most precious asset is their human capital where many are convinced for the large investments in employee training and development. This study aims to investigate the significance of training along with development program and its benefits to employees and organization. It focuses on the relative importance of training and development program and their impact on the overall organizational success. To do so, 389 bank employees from PNB and SBI banks in state of Haryana have been interviewed through a structured questionnaire. The sample has taken from the state of Haryana followed by stratified random sampling. The study has found that training and development program increase the skill, ability and intellectuality of the bank employees.

Keywords: Training; Effectiveness; Bank; Human Resource Management and Employee, Organization Performance

Statement of Problem

Human capital is an important asset for organizations under intense competition. Training and Development function enables human capital to unleash their dexterity. A profound training program acts as a vehicle to enhance employee skills and enable them to perform better in their job. Training and development is indispensable strategic tool for enhancing employee performance and organizations. It aims to improve employee's skills by making them learn new techniques of doing work. Thus, it helps updating their knowledge of doing work which results in increasing their efficiency and hence, results in increasing productivity of an organization Organizations can develop and enhance the quality of the current employees by providing comprehensive training and development. The general benefits received from employee training are: increased job satisfaction and morale, increased motivation, increased efficiencies in processes, resulting in financial gain, increased capacity to adopt new technologies and methods, increased innovation in strategies and products and reduced employee turnover. Bank is such a type of a financial institution with the intention of collecting society's surplus cash and giving a part of that as a loan to investors for earning a profit. Training is crucial not only to augment the efficiency but also to encourage the workers through letting them know how regarding the importance of their job along with providing the information which is needed to perform their jobs. Present study feels the importance of conducting a descriptive research to determine the effect of training

and development on employees by giving special emphasis on the PNB and SBI Banks in state of Haryana.

Framework of Study

Knowledge Development: This involves having the more experienced employees coach the less experienced employees. It is argued that mentoring offers a wide range of advantages for development of the responsibility and relationship building. The practice is often applied to newly recruited graduates in the organization by being attached to mentor who might be their immediate managers or another senior manager.

Compass reading: This is yet another training and development method. This involves getting new employees familiarized and trained on the new job within an organization. During this process, they are exposed to different undertakings for example the nature of their new work, how to take on their identified tasks and responsibilities and what is generally expected of the employees by the organization

Role Playing: Involves training and development techniques that attempt to capture and bring forth decision making situations to the employee being trained. In other words, the method allows employees to act out work scenarios. It involves the presentation of problems and solutions for example in an organization setting for discussion.

Skill Development: Nadler noted that all the human resource development activities are meant to either improve performance on the present job of the individual, train new skills for new job or new position in the future and general growth for both individuals and organization so as to be able to meet organization's current and future objectives. There are broadly two different methods that organizations may choose from for training and developing skills of its employees. These are on-the-job training given to organizational employees while conducting their regular work at the same working venues and off-the-job training involves taking employees away from their usual work environments and therefore all concentration is left out to the training. Examples of the on-the-job training include but are not limited to job rotations and transfers, coaching and/or mentoring. On the other hand, off-the-job training examples include conferences, role playing, and many more as explained below in detail.

Performance of the Employees: Job rotation and transfers as a way of developing employee skills within organization involves movements of employees from one official responsibility to another for example taking on higher rank position within the organization, and one branch of the organization to another. For transfers for example, it could involve movement of employees from one country to another. These rotations and transfers facilitate employees acquire knowledge of the different operations within the organization together with the differences existing in different countries where the organization operates.

Employees' Efficiency: These are a number of methods which may be used to develop the skills required within an organization. These course and programs are usually a set of defined and known programs where the contents, durations and all the details about the training are clear to both the organization and the personnel to be trained. Unlike informal trainings and programs, formal training and programs can be planned earlier and also plan for their evaluation. Employees may undertake these courses and programs while completely off work for a certain duration of time or alternatively be present for work on a part-time basis. These programs can be held within the organization (in-house) or off the job. Off the job is argued to be more effective since employees are away from work place and their concentration is fully at training. Depending on the knowledge needed, organization's structure and policies, the trainers too may be coming within the corporation or outside the organization.

Benefits of Training Program: Training: As one of the major functions within HRM, training has for long been recognized and thus attracted great research attention by academic writer's. This has yielded into a variety of definitions of training. A formal training program is an

effort by the employer to provide opportunities for the employee to acquire job-related skills, attitudes and knowledge.

Development: Krietner development is "a systematic process of training and growth by which individuals gain and apply knowledge, skills and attitude to manage work organizations effectively". Development perspective examines the current environment, the present state, and helps people on a team, in a department and as part of an institution identify effective strategies for improving performance. In some situations, there may not be anything "wrong" at the present time; the group or manager may simply be seeking ways to continue to develop and enhance existing relationships and job performance. In other situations, there may be an identifiable issue or problem that needs to be addressed; the Development process aims to find ideas and solutions that can effectively return the group to a state of high performance.

The main purpose of training is to acquire and improve knowledge, skills and attitudes towards work related tasks. It is one of the most important potential motivators which can lead to both short-term and long-term benefits for individuals and organizations. There are so many benefits associated with training is as under:

- ❖ High morale – employees who receive training have increased confidence and motivations;
- ❖ Lower cost of production – training eliminates risks because trained personnel are able to make better and economic use of material and equipment thereby reducing and avoiding waste;
- ❖ Lower turnover – training brings a sense of security at the workplace which in turn reduces labor turnover and absenteeism is avoided;
- ❖ Change management – training helps to manage change by increasing the understanding and involvement of employees in the change process and also provides the skills and abilities needed to adjust to new situations;
- ❖ Provide recognition, enhanced responsibility and the possibility of increased pay and promotion;
- ❖ Help to improve the availability and quality of staff.

Objectives of the Study

- 1) To determine the significance of training and development program on employees' performance in PNB and SBI banks
- 2) To explore the relationship between training and development on employees' performance in selected banks
- 3) To pinpoint some guidelines for assessing the employees' performance.

Literature Review

Many researchers have conducted research works on different aspects regarding the impact of training and

development programs on bank and other organizations. Several important empirical research findings have been taken into consideration.

- ❖ Dayal.I. presents a comprehensive survey of studies on training in India. Are through in the study most of the issues confronting the field of training in India or note this miller to those felt abroad. Attempts have been made to examine General journal issues such as condition conducive to effective training content of utilisation of training in practice.
 - ❖ Dikshit has discussed the role of training in HRD and located the weak area in the training system. He points out that despite efforts that have been made both training and HRD in banks have not yet taken from roots and the reason for this can be attributed to shorter time Perspective in decision-making relating to training.
 - ❖ Khandelwal A.K View is that training is no panacea for organisational else but objectively conceived and sincerely imparted training and certainly equip an individual to poo worthy of expectations. Training should neither be a casual phenomenon nor holiday for a selected few or even on. in turn it has to be a process of human development for the fulfilment of defined objectives. the rationale ops pending who organisational resources in terms of men and money is questioned, forgetting that training cannot become a substitute for managerial in effectiveness. Poor measures of performance, poor supervision and unsuitable organisational structure are mistaken for training needs in bank king organisations. The result of training can be spectacular When corresponding changes in organisational petrol and administration accompanied training efforts.
 - ❖ Poonia O.P.has examines the training and development system in state bank of India. He feels, through the bank's training programs or systematic in developing the employees by increasing the knowledge and skills, And by oriented thinking and attitudes don't yet there are many sensitive area, like performance appraisal system, job rotation, and staff deputation to staff training centres, participation approach in training method etc. which demand immediate attention.
 - ❖ Riyaz Rainaye, in his study explored the training effectiveness in public and private sector commercial bank as a microlevel comparative study don't training has to be amalgamated with the overall HRD strategy of the banks; it must embody such golden guidelines and principles as framed the governing instrument of the training system. That amalgamation me achieved only when training activities are performed in a systematic mannered search, there is there is need to develop a realistic plan for manpower training, execute them properly, and follow them up with an uninterpreted monitoring. Training programmes must be scientifically evaluated to ensure that both their content and method are persistently relevant to the need of the bank, which in then invest effort, time and money. surely, the transfer training must be facilitated, to accelerate great innovation and creativity. Regular and continuous feedback must be provided to the trainers in respect of their progress in training. Hopefully, the suggestion put frothier, if properly perceived and rightly implemented, will certainly Give an imputes and enhance the role of training and push if forward to integrate with the overall missions of the Banks.
 - ❖ Sapru R.K Examine the organisational setup, recruitment, in service training, discipline and service condition and industrial relation in the banking industry, with particular reference to the Chandigarh zonal officer of the Central bank of India. Attempt was made to study the quality of customer services in the selected bank.
 - ❖ Shah S.G. Is of the view that even after 25 years of training activity in the field of banking, its impact is not visible in the tone of administration and management more it is reflected in the quality of customer service. He talks of an unusual training that will create an usual bank cards and it is only unusual bankers who can run a large, widely separated, decentralised Banking industry don't know training system that does not create search bankers in educate numbers and within the time span available, is worth it, and tell the rest of the efforts activity and cost or double waste of money and time.
 - ❖ William J.P In his study desk because he's the possibilities of employee induction training program don't in his study the author has analysed the line and stop responsibilities on induction and training and also suggested the outline content for training and induction.
- Gap of Study:** Training becomes inevitable the moment an organization realizes the need for improvement and expansion in the job. But often times, organizations embark on job enlargement and enrichment to promote employees' morale, motivation and satisfaction when in the fact the real problem with work performance lies in capacity development. However, the study results help the management to identify the challenges effects of employees' training on organizational performance, hence determine the areas where improvements through training can be done. It also help the management in planning for the development and implementation of effective and efficient training needs that lead to increased performance of the banks. No study has found that found that identified the effects of training and development on employees' performance with reference to banking sector very especially in the context of Bangladesh. Thus, the study has motivated to work with the identified gap.

Methodology of the Study: The study was empirical in nature followed by descriptive research. A research design has been considered for carried out this descriptive study.

Collection of Data: Both primary and secondary have been used in this study. The primary data have been collected through personal interview by using a structured questionnaire on 380 bank employees from some selected the PNB and SBI banks of state of Haryana. Secondary data was collected directly by the researcher from different secondary sources like annual reports of selected banks, related books, journals, articles, seminar paper, publications from national and international research institutions, report of different financial institutions, public records and statistics, different research reports etc.

Techniques of Data Analysis: Selected parameters were used to analyze the application of training and development program of PNB and SBI banks of state of Haryana. All data was processed through computer based Package for Excel. Before feeding the data into computer, all data were converted into numerical codes and the details of these coding are recorded in a code book. For conducting this descriptive study, some statistical tools like such as frequency distribution, reliability test and regression analysis were carried out.

Sample Design: Stratified random sampling technique was used to collect data from the respondents. To collect response from the employees, the PNB and SBI banks of state of Haryana was considered as per convenience of the study. The details are as under:

Selection of SBI & PNB Respondents from Haryana State

S no.	Regions	SBI		PNB	
		Respondent	%age	Respondent	%age
1.	Rohtak	51	26.84	47	24.73
2.	Kurukshetra	21	11.05	34	17.89
3.	Karnal	39	20.53	38	20.00
4.	Hisar	51	26.84	42	22.10
5.	Chandigarh	28	14.74	29	15.28

Distribution of SBI & PNB Respondent According on the basis of the work experience

S no.	Category of Managers	SBI		PNB	
		Respondent	%age	Respondent	%age
1.	High Experienced	62	32.63	64	33.68
2.	Middle Experienced	65	34.21	76	40.00
3.	Lower Experienced	63	33.16	50	26.32
	Total	190	100%	190	100%

Source: Primary Data Analysis

Distribution of SBI & PNB Respondent Regarding Qualification

S no.	Category of Managers	SBI		PNB	
		Respondent	%age	Respondent	%age
1.	Just Academic	60	33.58	52	27.36
2.	CAIIB Professional	70	36.84	81	42.64
3.	Other Professional	60	31.58	57	30.00
	Total	190	100%	190	100%

Source: Primary Data Analysis

Table1: Reliability Analysis of Data

Cronbach's Alpha	N of Items
.874	26

Table 2: Model Summary of Regression Analysis of PNB and SBI Banks Respondents

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.927	.859	.846	.29369

Source: Primary Data Analysis

From table-1 we see that the Cranach's alpha value (α) was found 0.874, which was higher than the minimum acceptable level 0.70 suggested by Nunnally (1978). Thus, the data has found reliable for the study.

Regression Analysis was carried out to determine the relationship between training and development and employees' performance. A null hypothesis has been taken here: Ho: There is a no relationship between Training and development program and employees' performance

- ❖ Predictors: (Constant), You think further training is needed., Impact of training methods on skill, Impact of training on the performance of the employees, Training help knowledge development

- ❖ Predictors: (Constant), You think further training is needed., Impact of Induction training methods, Need Based Trading, Quality Services of Training Programme, Development Theory and its Impact of training on the performance of the employees.
- ❖ Dependent Variable: From training program employees and organizations will be benefitted. From the ANOVA output it was found that the significance value has come 0.000 which is less than p value (0.05) at 5% level of significance. For this, null hypothesis has been rejected and it has proved that there exists a significance relationship between Training and development program and employees' performance in both banks.

Table 3 ANOVA Analysis of Regression Analysis of PNB and SBI Banks Respondents

Model	Sum of Squares	df	Mean Square	F	Sig.
1Regression Residual Total	26.638	4	6.910	78.517	.000
1Regression Residual Total	3.882	376	.086		
1Regression Residual Total	29.520	380			

Source: Primary Data Analysis

Table: 4 Coefficients Analysis of PNB and SBI Banks Respondent

Model	Unstandardized Coefficients		Standardize Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.09	0.094		0.856	0.304
Induction Training	1.005	0.318	0.956	2.164	0.001
Need Based Trading	-0.031	0.076	-0.035	-0.513	0.582
Quality Services of Training Programme	-0.033	0.102	-0.035	-0.424	0.448
Development Theory	0.029	0.3	0.027	0.092	0.724

a .Dependent Variable: From training program employees and organizations will be benefitted.

Source: Primary Data Analysis

Tables 2, 3 and 4 represent the regression analysis. The analysis shows that the R-Square value is 0.859. It indicates that a good proportion of variation (85.9%) exists between the dependent variable is explained by the total variation of the 4 independent variables. From all the independent variables significant values of only one variable, like – training helps to knowledge development significant value are less than the P value 0.05. It indicates that “Training helps knowledge development” has a significant impact on the bank employees. Respondents' demographic profile also has been summarized in this study through descriptive statistics.

Managerial Implications One interesting finding from the study was identified that training and Development has a crucial impact on the performance of employees with regards to their job. So, there is no doubt that raining is very essentials for all employees.. This is how, organizations need to ensure proper training program in order to breakdown the monotonous situation of the employees and it creates the mental satisfaction which may relates to increase the loyalty and commitment level

of the employees in their working environment.). In this study, one of the observations of researcher was identified that that there is a positive change among the staff after attending the training. But the employees, who have gone through training, have to be evaluated continuously to understand change in their learning levels.

Recommendations and Conclusion: Training is an important and imperative tool for the organization to restore the performance of all the personnel for organizational growth and success. It is beneficial to both employers and employees of an organization. An employee will become more efficient and productive if he is trained well. In this study we take the fact of observation that training leads to important benefits for employees and organizations. Throughout this study we can come to a point that it is very beneficial for the organizations to develop the employee development programs. An organized and efficient development program with supportive apparatuses will significantly assist the organizations to retain the most valued human

resource, especially those who have a lot of experience with the organization. So, for the organizations, it is also required to evaluate the success of employee training and development program. If organizations are capable to support all employees in meeting their requirements then both, employees and organizations will get the long term benefits. Thus, the implications of our proposed recommendations in the organization could bring a remarkable change in employees' performance which tends to organization efficiency and country's growth as well.

But this study has been carried out with only 380 employees as sample size with respect to both the banks SBI and PNB. Again, here analysis has carried out limited statistical tools and with only 5 variables which may not enough for a descriptive study. So, our study proposes to conduct further research in broader areas with more sample size in longer time period and more variables by applying some other statistical tools to get more insights. To bridge the difference of development of approach each regional manager should be trained through e-conference which may cover the training of business environment, technical environment, national and international level. By such training in changing environment manages that skill to identify the new opportunities and challenges. This e-conference Type training should be managed by highly competent person who have knowledge of above-mentioned area it should be weekly, so that, managers skills may be continuously upgraded.

Training on the basis of management level should be goals of identifying training so that lower level managers who have less knowledge compare to upper level, maybe train. For this purpose, there is no need of remedial training and T group training.

To train the qualified managers has been education, training should be qualification based out to develop this type of training must be based on position rotation and coaching by highly qualified and competent person to improve the training program for experienced managers continues take training must be provided.

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