



## EMPLOYEE TRAINING AND EMPLOYEE PERFORMANCE: AN INDISPENSABLE LINKAGE

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### ABSTRACT

“Practice is the hardest part of learning,  
and training is the essence of transformation” - Ann Voskamp

Today Indian banking sector is being considered as one of the most glorious, innovative service industry that has witnessed constant growth over the past three decades. Indian banking industry has a vital role in promoting public lending and public savings, and is widely recognized as a significant factor for the economic development of the country. The Indian banking industry is expected to be among the top 10 global markets in terms of value by 2025, strengthened by increasing domestic demand. Now-a-days managing talent in the banking sector is the most crucial Human Resource challenge all over the world, and it becomes as the main agenda of top management in every aspect in the predictable future. Employees who are well trained are more positive to contribute and can do more effectively. This also converts into better customer experience and in turn, leads to stronger financial performance by the firm and overall economic growth. The present paper aims to decisively analyze and interpret the role of Employee Training practices in SBI and ICICI bank and its impact on employee and organizational performance.

**Keywords:** Employee Training, Economic Development, Organisational Effectiveness.

### Introduction

Training is an opportunity for the employees to learn and improve their knowledge, skills, and attitude. It also helps in equipping the individual to be more effective in his present job and for the future assignment. Training has specific goals of improving one's capability, capacity, productivity and performance. Employee training is the process (generally refers to programs that provide employees) of the acquisition of knowledge, skills, and competencies as a result of the teaching of vocational or practical skills and knowledge that relate to specific useful competencies. Consistent employee training programme helps the employees to gain information, new skills or professional development opportunities.

### Objectives of Training

- a) To impart the basic knowledge and skills in employee to perform a definite job.
- b) To prepare the employees to meet the present as well as future challenges.
- c) To build up a next line of competent staff to ensure smooth & efficient future work, and
- d) To promote individual and group morale, a sense of responsibility, co-operative attitudes and good relationship.

### Need for Training

The need for training (designed to improve knowledge, skills, and attitude and, thus, equip the individual to be more effective in his present job for a future assignment) of employees would be clear from the observations made by the different authorities.

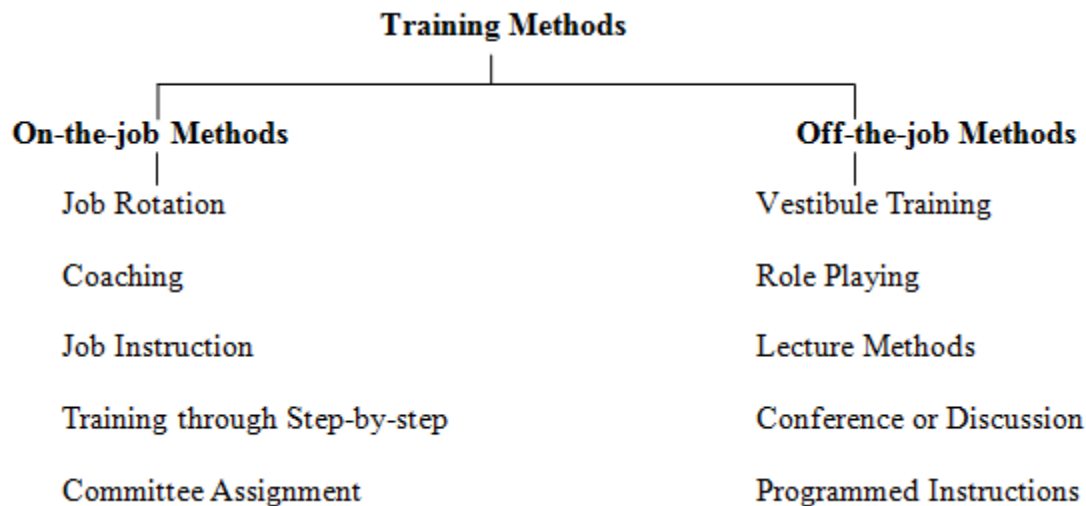
- i. To improve one's Knowledge, Skills, positive and proactive Attitude,
- ii. To improve the Quality of Work,
- iii. To increase Productivity,
- iv. To Obsolescence Prevention,
- v. To improve Health and Safety,
- vi. To improve Organizational Climate/Culture,
- vii. To ensure Personal Growth of an Employee, and
- viii. To help a company to fulfill its future personnel needs.

### Outcomes of Training

1. Quality of Work
2. High Productivity
3. Health and Safety
4. Creativity
5. Innovation
6. Better Involvement
7. Morale and Motivation

### Training Methods

For decades together the human resource experts has been made many attempts to modify and as well as introduce new training methods in the field of Human Resource Development. As a result of research in the field, a number of programmes are available. Some of these are new methods, while others are improvements over the traditional methods. The training programmes commonly used to train operative and supervisory personnel. These programmes are classified into On-the-job and Off-the-job.



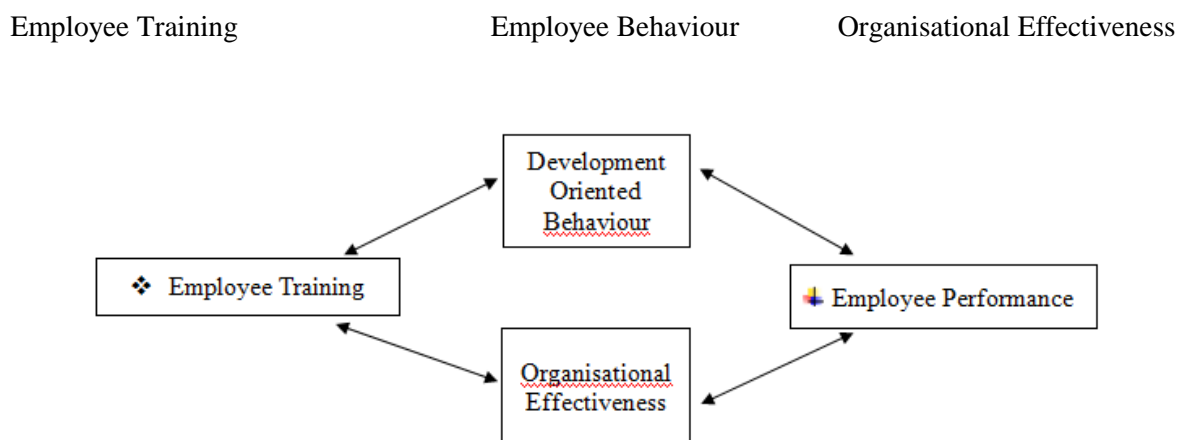
### Need and Significance of the Study

The need for Employee Training gained great importance in service-oriented institutions like banks. Because, employees in a service organization have frequent contacts with the customer, they usually serve as representatives for both the organization and their products and services to the customer at contact point and play a major role in determining whether a customer would enjoy the experience or turn to their competitors for better solutions.

### Scope of the Study

The present study included to examine the extent of interrelation between the Employee Training and organizational effectiveness in banking professionals with respect to SBI and ICICI banks in Rayalaseema region of Andhra Pradesh only. Particularly, I select these two banks because they are giant in public and private sector in terms of operations, employees and turnover.

**Figure-1: Employee Training-Organizational Effectiveness**



*Source: Designed by Researcher*

### Objectives of the Study

1. To study the Employee Training practices in SBI and ICICI banks in Rayalaseema Region, and
2. To critically evaluate the effect of Employee Training on Employee Performance and Organisational Effectiveness in SBI and ICICI banks.

### Hypotheses

- ✓ **H<sub>1</sub>:** There is a significant difference between the two banks regarding the Training Practices that affect Organisational Effectiveness.

### Research Design and Methodology

The present study is an empirical research in nature. The descriptive research procedure is also used for describing the current scenario in SBI and ICICI bank.

**Sources of Data:** For the present study, the data has been collected from both primary and secondary sources. The primary data has been collected by administering a structured questionnaire from the non-executive level employees of select SBI and ICICI banks. The secondary data has been gathered from Internet, books, research articles, survey reports, newsletters, various journals and magazines.

### Sample Size

For the present study 397 non-executives were purposefully selected by applying convenience sampling and their responses were the form basis for analysis, interpretation and empirical findings of the study. The researcher was also obtained the required information and clarifications from selected non-executives and other authorities of both the Banks to draw meaningful conclusions.

**Table-1**

**Total Sample Size**

<i>Name of the Bank</i>	<i>Employees Strength (No. of Non-Executives)</i>	<i>No. of Respondents (Primary Data)</i>
<i>State Bank of India.</i>	<i>1664</i>	<i>247</i>
<i>ICICI Bank</i>	<i>200</i>	<i>150</i>
<b>Total</b>	<b>1864</b>	<b>397</b>

*Source: Primary Data*

### Data Collection Instruments

Structured questionnaire method was adopted to collect primary data from employees. Based on the review of literature on empowerment and detailed discussion in the human resource consultants, Likert scale was constructed following the procedure developed by Rensis Likert.

### Statistical tools and techniques

The present study is a qualitative analysis of the responses and results based on observations. The collected data is analyzed and interpreted based on Weighted Averages, Correlation coefficient analysis and Independent t-test with the aid of Microsoft Excel software and Statistical Package for Social Sciences (SPSS-20 Version).

### Limitations of the study

The present study has the normal limitations of time, finance and other facilities usually faced by all research scholars. Apart from this limitation some of the other limitations were as under;

1. This research study is limited to select commercial Public & Private Banks in Rayalaseema region only.
2. The results of the research cannot be generalized to other banks like rural, co-operative and foreign.
3. The accuracy of given information may owe to change by time, work place and individual factors.

**Table- 2: Demographic Profile of SBI and ICICI Bank Employees**

	<b>Bank Wise Respondents</b>
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Demographic Aspects		SBI (%)	ICICI Bank (%)
Age	20-25 years	3.7	22.0
	26-30 years	39.0	68.0
	31-35 years	28.9	10.0
	36 years and above	28.3	22.0
	<b>Total</b>	<b>100</b>	<b>100</b>
Educational Qualifications	Intermediate	2.7	0
	Graduation	40.1	12.0
	Post Graduation	33.2	78.0
	Professional Degree	24.1	10.0
	<b>Total</b>	<b>100</b>	<b>100</b>
Marital Status	Married	81.3	34.0
	Unmarried	18.7	66.0
	<b>Total</b>	<b>100</b>	<b>100</b>
Job Experience	Less than 5 years	26.7	90.0
	5-10 years	42.8	6.0
	10-15 years	2.1	4.0
	15 years and above	28.3	0
	<b>Total</b>	<b>100</b>	<b>100</b>

*Source: Primary data*

**Table-2** exhibits the response rate for the age, educational qualifications, marital status and experience of the employees in SBI and ICICI Bank.

**Demographic Aspects:** In the present study, it has been observed that irrespective of the banking sector, in both the banks majority of employees are in the age group of 26-30 years. In terms of the educational qualifications ICICI bank employees are ahead with post graduation. Though in SBI majority of employees are married, whilst in ICICI bank majority of respondents are bachelors. And, it is also found that as in the terms of experience SBI employees are ahead compared to ICICI bank employees.

**Table- 3: Employees Training and its Outcomes**

S.No.	STATEMENTS	SBI (MEANS)	ICICI Bank (MEANS)
1	How many Training Programmes have you Attended in Your Career	3.37	1.56
2	I have observed Enrichment in My Decision-Making Skills due to Training	3.98	3.78
3	Training Programmes has Improved My Performance Quality	4.36	4.08
4	Training increases My Confidence and helps to Tackle Conflict Situations	4.11	4.08

5	Training has Enhanced My Discipline and Motivate me to achieve Benchmarking	3.73	4.14
6	Bank provides Latest Training whenever New Technology Adopted	3.32	3.86
7	My work Relation with Peers has become Healthy due to Training	4.00	3.76

**Source:** Primary Data

**Table-3** depicts the weighted average responses of the statements about the employee training and its results. Consecutive training of employees helps to improve employee's skills and boost up their confidence which leads to productivity. For this ratings given by the respondents are 3.37 and 1.56. Here, respondents of both banks have observed enrichment in their decision making skills due to training. For this ratings given by the respondents are 3.98 and 3.78.

The table above reveals the opinions of the respondents in SBI and ICICI bank about training and its impact on the enhancement of their self-discipline, confidence and performance quality. For this ratings given by the respondents of SBI and ICICI bank are 3.73, 4.11 and 4.36 & 4.14, 4.08 and 4.08. And the respondents of both banks agreed that their relations with peers have become healthy due to training. For this ratings given by the respondents are 4.00 and 3.76 respectively. From the above weighted average responses it's very clear that both banks are providing the latest training on new technology adoption. For this ratings given by the respondents of SBI and ICICI Bank are 3.32 and 3.86. Through, overall analysis, it's very clear that SBI employees have better chances of attending regular training, while in ICICI bank employees have an opportunity to attend latest training.

**Table- 4: Correlation Coefficient B/W Employee Training – Performance**

	Variables	Productivity	Training
Employee Performance	Pearson Correlation	1	0.018**
	Sig. (2-Tailed)		0.000
	N	397	397
Employee Training	Pearson Correlation	0.018**	1
	Sig. (2-Tailed)	0.000	
	N	397	397

\*\* . Correlation is significant at the 0.01 Level (2-Tailed).

**Source:** Primary Data

**Table-4** shows that significant value of  $p(0.001) < 0.01$ . Therefore, it means that there is a significant positive relationship between employee training, employee performance and productivity in the banking industry. It means, if employees got successive training, unconsciously it works as a tool for better employee productivity. Success of employee training basically depends upon the learning environment, various training techniques, employees' participation, and trainer's support.

According to Richardson<sup>1</sup>, effective training programmes help the staff to become more efficient and effective in daily operations. A well-trained staff will have higher morale and productivity. Glance et al.,<sup>2</sup> opine training help to clarify an individual's position and responsibilities within an organization in terms of the duties, which employee is responsible to perform and the relevance of the job position within the organization. Kotler et al.,<sup>3</sup> say that employees who are adequately trained can deliver high quality service, which will improve the image of the firm and attract more customers and employees to the organization.

Chandra Mohan Patnaik et al.,<sup>4</sup> found that training enables an employee to perform up to the best of their ability. Asiya Gul et al.,<sup>5</sup> found a positive correlation among training, employee competency and organizational performance.

## HYPOTHESIS TESTING -1

**H<sub>0</sub>:** There is no significant difference between the two banks regarding the Training Practices that affect Organisational Effectiveness.

**H<sub>1</sub>:** There is a significant difference between the two banks regarding the Training Practices that affect Organisational Effectiveness.

**Table- 5: Employee Training Differences B/W SBI and ICICI Bank**

Group Statistics					
	Bank Name	N	Mean	Std. Deviation	Std. Error Mean

Employee Training Differences Between SBI and ICICI Bank	SBI	247	4.3636	.62765	.04590
	ICICI Bank	150	4.0800	.39323	.03211

*Source: Primary data*

**Table- 6: Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Differ	Std. Error Differ	95% Confidence Interval of the Difference	
									Lower	Upper
Effect of Employee Training on Organisational Effectiveness	Equal variances assumed	73.854	.000	4.826	395	.000	.28364	.05877	.39924	.16803
	Equal variances that not assumed			5.064	377.630	.000	.28364	.05601	.39384	.17343

*Source: Primary data*

**Tables-5 and 6** explain that there is a statistically significant difference between SBI and ICICI bank at 0.01 of the level of significance with regard to employee training of including, training programmes and training technique as the significant level ( $p=0.00$ ) is less than 0.01. As a result, it is observed that there is no unanimity and there is a significant difference between SBI and ICICI bank with regard to employee training. Therefore, from this it is proved that the formulated hypothesis  $H_1$  is accepted and  $H_0$  is rejected. It is evident from overall analysis and very clear that the majority of the respondents in SBI are having more experience in terms of training, while the majority of the respondents in ICICI bank ahead in participating latest training.

**Conclusion:** The present study finds that there is significant relationship among Employee Training, Employee Effectiveness and Organizational Effectiveness. In current scenario both SBI and ICICI banks are practicing better Training practices, but, SBI employees have better chances of attending regular training, while in ICICI bank employees have an opportunity to attend latest training.

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