The Impact of Training and Development on Employee Performance and Productivity in Private Bank Sector

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Abstract

Human Resources Management literature regards training as the bloodstream of any organization because the success of an organization to achieve its objectives and goals highly depends on its workforce. For this reason, organizations should invest in employees’ training to enhance their performance and that of an organization. Nonetheless, some organizations regard training as an unnecessary expenditure and always cut training budgets to improve their financial standing to the detriment of their employees’ welfare because that action incapacitates staff to adapt to the ever-changing working environment and uncertain conditions on account of, inter alia, rapid technological innovation, and organizational change. This study employed a stratified sampling technique to draw a sample of 90 employees from a population of 100 employees through a self-administered questionnaire to examine the impact of training on employees’ performance, employee motivation, and job satisfaction in the banking sector in the Private bank of Bhopal India. This result indicates that training and development have a high impact on the employee’s performance and productivity in the perspective of employees of the private bank in Bhopal. The findings of the study generally revealed that training not only increases employees’ performance but also positively affects employees’ motivation and job satisfaction within the Private banking sector in Bhopal Therefore, the banking sector in Bhopal should regularly allocate resources for employees’ training based on identified skill gaps to sharpen employees’ skills, knowledge, and abilities to capacitate them to cope with the ever-changing working environment and uncertain conditions and to improve their motivation and job satisfaction.

1. Introduction

People are living in a global village. Due to globalization, the world is becoming smaller and our business is becoming larger. In this concern, the competitiveness of the companies must be needed to face the challenges of globalization. Contemporary organizations are moving towards widespread competition, and endlessly fluctuating high-tech and business environments. Globalization and constantly changing customer desires are the main reasons for extending more challenges to business organizations. More importance should be given to human capital to become competitive and economically sound because organizations have to stay in the rigid and progressive market. Different factors may influence organizations’ success and organizations should have dynamic employees such as effective and efficient employees. Training is considered as a package for supporting employees to acquire different techniques, tools, and knowledge and also for developing their performance in their present position. Development task is considered an affluent task and it aims at employee’s progress and their upcoming journey in their workplace.
The task “development” is measured as a task that focuses less on an instant job role. An effective training and development program is important for maintaining productive employees in the workplace and also for increasing profits. At present, training and development programs for employees are very significant as compared to past situations in the workplace, that’s why the recruitment system for finding the new talent is getting highly difficult and competitive. It takes money and time to recruit top talent and how an employer recruits and develops talent from the time; he retains boarded effects and takes first place in business growth. According to the Workplace Learning Report 2019 from Linked in, 82% of learning and development professionals learning, and 59% say they will spend more on their online learning budget and it’s not just about retention. Employee training and development programs directly impact an organization's bottom line. According to the Society for Human Resource Management, the link between learning and business success is compelling. Training improves the overall organization's profitability, effectiveness, productivity, revenue, and other outcomes that are directly related to the training in improving the quality of services (Aguinis and Kurt, 2009). Training has an optimistic association between motivations along with job engagement involving personnel doing work in organizations (Akhtar et al., 2011).

Training is considered an organized improvement of the individual’s abilities and knowledge to execute effectively in their work (Armstrong, 2007). Training is a way of improving the enlarging the abilities and knowledge of a subordinate. (Edwin and Flippo, 1984) This research is for organizational performance because employees are considered resources that are essential for making the organization improve. Employees’ abilities and experience are needed to execute their work responsibilities and obligations, so the purposes and goals of the organization are accomplished.

The outcomes of this research will help and support the banks to identify the factors that influence employee training on the performance of the organization. On the other hand, the research will be helpful in the department of the human resource of every organization which is trying to increase the productivity of their employees. The study only deals with employee training; hence factors that have the same impacts on banks as training are not considered. Organizations are trying to exist in the vibrant market, so solid importance should be given to the employee's training and development to be viable and economically fit. Employees' training and development are considered human capital. Different factors are working behind the organization's success. Organizations must have effective and efficient employees. Effective and efficient employees are called productive employees. A firm’s competitive edge fully relies on the awareness and expertise of an employee (Drucker, 1999). Training and development are considered an essential function in the human resource department of any organization as these activities motivate to give a high performance to every employee in the organization. It provides a major impact on the achievement of an organization by developing employee activities (Mozael, 2015). A substantial constructive lies between employee training and development and the employee's performance (Naveed, 2014). Recently organizations are in towards excessive competition, and endlessly fluctuating technical and corporate environments. Training is considered contemporary activities that are concerned with employees’ present jobs, detailed expertise, and capabilities.
for executing their jobs when development improves the behavior, assertiveness, and effectiveness of employees in an organization. This process accelerates the expertise and knowledge of an employee to perform a specific job. Training is the most important activity that fulfills the goals of an organization and also maintains the interests of both employees and the organization (Stone, 2002).

Human resource development is a department that takes the responsibility of unskilled and skilled humans to give training or re-training to accomplish the definite assignment of the society. Manpower development is concentrating on a human resource that is important to the effective performance of the organization. Human Resource Management is considered a procedure that tries to improve an organization's practice of its human resource. A combined methodology is required that speaks multidimensional phases of employees extending from improving the technological and interactive ability to imaginative thinking and leadership.

Training and development are considered as a chance for progress nonetheless investment that produces whole earnings and aids both the organizations and employees. Training and development not only expand skills and abilities for the job but also assist in recognizing the objectives of the organization. The main objectives of the study are to. Explore different methods of training and development that affect employee performance and productivity.

ii. Assess the relationship between Training & Development and employees' performance.

iii. Investigate the impact of training and development on employee performance and productivity in the private bank of Bhopal India.

1.1 Role of Training & Development in the Banking Sector

The most important advantages are improved productivity and customer service conditions. Productivity has increased due to improved performance in various training programs for employees. Thus, there is no question that training and development encourage both work performance and organizational productivity, but it must be kept in mind for the strategic purpose of training to achieve creative thinking and innovation when designing training and development programs. These will then make stronger the knowledge base of the organization by enabling it to establish a competitive advantage. Training and development also pave the way for employees to take an active part in the decision-making process (Vemic, 2007). Furthermore, it is suggested that uninterrupted training helps to build employees' motivation, confidence, general behavior, and self-respect. Similarly, they believe that it is training and development that enriches employee satisfaction with their work progresses their work efficiency and provides a return on investment (Reserve Bank of India) to make employees more experienced, efficient, and productive. It makes them more loyal, and committed and contributes to the organization (Saleem, Shahid and Naseem, 2011). This is supported that job contentment, self-reliance, and self-esteem are encouraged among employees through training (Batool and Batool, 2012). Thus, training boosts loyalty which in turn encourages the performance of the mark. It is suggested that the improved performance of the employees is significant (Khan et al., 2011).
1.2 Role of Training & Development in the Banking Sector

The banking service sector is where social participation is highest. Customers cooperate with employees and the first impression of the bank is made during this cooperation. Thus, it is for this reason that guests have declared the public to be the most important factor contributing to banking sector productivity, sustainability, and image formation. People are, without a doubt, the ultimate strengthening property of an organization (Glaveli and Karassavidou, 2011). Customers gain multifarious experience in obtaining services that involve mental and physical collaborations with service suppliers i.e. employees (Haynes and Fryer, 2000). This information guides us to the conclusion that employees need to be skilled sufficient to provide a pleasing service to customers that has the least potential for customer switching of customer discontent. Through some organized process of skill, training is injected into the workforce.

1.3 Employee Development

Development refers to activities aimed at acquiring new knowledge or skills for a growing purpose. Companies provide development programs to enhance the skills of employees. Employee development is obtaining progressively an analytical and skilled task in the existing business situations in any organization (Waheed, 2011). In addition to the success of the organization, companies need to invest in uninterrupted employee development to retain employees (Khawaja, 2013).

1.4 Employee Performance

Employee performance is considered as the achievement of particular jobs by the employees of an organization (e.g. through hard work by the employees within the organization) and it can be weighted compared to precision, completeness, cost, and speed are predetermined or marked values (Afshan et al., 2012). Many indicators are used to quantify performance either from the perspective of organizations or employees and this performance helps to improve the ultimate performance of that organization. On the one hand, different types of indicators are used for measuring organizational performance including productivity, efficiency, effectiveness, quality, and profitability (Ahuja, 2006). Profitability refers to the capability of a company to compatibly make a profit over some time and is dignified as the ratio of total profit to free sales or expected capital (Wood and Sangster, 2002). Efficiency is considered as the aptitude to achieve the best results by hiring as few resources as possible while effectiveness is considered as the capability to meet the desired goals or objectives of the employees (Stoner, 1996). After all, quality is a measure of the quality of a product or service produced by an organization.

1.5 The Link between Employee Training and the Performance of Employees

Training is considered an irreplaceable asset in improving the productivity level of any organization. Not only does it enrich employees, but it also allows them to learn and perform their work more efficiently. Thus, to increase the productivity of the individual and to communicate organizational goals to the employees, only the employee's performance can be increased most comprehensively (Galanou, 2009). It is further supported by the notion that investing in employee training on decision-making, teamwork, problem-solving and interpersonal relationships will have a beneficial effect on employee growth as well as employee
performance (Rohan and Madhumita, 2006).

1.6 Objectives of the Research

The objectives of the study are quite clear from the topic i.e. the theme of this research. We have broken down our area of study into five objectives to create a link among the variables and build theoretical and conceptual frameworks for the study. The study is being conducted:
1. To identify the existing Training and Development trends & programs in the banks understudy in Bhopal India.
2. To assess the relationship between Training and Development and employees’ performance.
3. To propose a streamlined Training investment pattern for the banks under study in BhopalIndia.

2. Methodology

The research methodology is the route by which researchers need to conduct their research. It shows how these researchers create their problems and objectives and present their results from the data obtained during the study period. The methodology also describes the broad philosophical underpinning to choosing research methods, including whether it is qualitative or quantitative methods, or a mixture of both, and why.

A descriptive approach is being conducted to check out the impact of training and development on the performance of employees working in the private bank sectors of Bhopal India. The banking sector has been chosen as the population. For this study, a structured questionnaire survey was used to collect the primary data from a targeted sample. So, a questionnaire was the research instrument.

Sampling units are the branches of representative banks operating in Bhopal India including Axis Bank Ltd, HDFC Bank Ltd, Kotak Mahindra Bank Ltd, ICICI Bank Ltd IndusInd Bank Ltd, Bandhan Bank, IDBI Bank, IndusInd Bank, RBL Bank, Yes Bank. The sample size was taken from 100 employees working in different branches of the 10 representative banks operating in Bhopal India. The banks selected have been mentioned above. Not all the banks operating in Bhopal India were targeted due to a shortage of time. Out of 100 employees, 90 responded to the questionnaire. So, 90 questionnaires were used for analysis. In these 90 responded questionnaires, 60 respondents i.e. 66.66% responded as females and 30 respondents i.e. 33.33% responded as males.

2.1 Development of Research Questions for Analysis

For analysis of frequency distribution and bar charts on the item, statements have been applied. SPSS techniques lead us to know the response rate of the employees on each item statement of the six heads of indicators. The following four research questions have been developed to check out the impact:

1. Is the training and development program run by the bank adequate?
2. The training and development programs run by the private banks do not affect the working capacity of the employees.
3. The training and development programs run by the private banks have an impact on the confidence of the employees.
4. Training development programs run by private banks have an impact on job satisfaction.
3. Result and Discussion

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2. Effect on Performance

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3. Impact on Confidence

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4. Impact on Job Satisfaction

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<td>Disagree</td>
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<td>36.67</td>
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1. There is a positive relationship between training and development and a strong positive impact on employee performance and productivity. Respondents across the private banking sector studied in Bhopal India have strongly agreed that the various training methods and developments are beneficial not only to them but also to the organization.

2. The benefits are obvious if the training programs and development plans suit the trainees, job descriptions, directors and supervisors and their various levels of education and background and align with the aims and objectives of the organizations. So investing in training and development is a must for any organization, which will certainly achieve expectations by investing in the training and development of its employees. Return forms include a Long-term increase in productivity and quality as a result of potentially less error.

3. Also, effective development programs allow the organization to maintain a workforce that companies can leave or replace with workers who have moved to other areas. Individual-level employees are encouraged to do individual assessments, where they are expected to identify their opportunities and improvement needs.

4. It is considered from this study that the positive impact of training is so obvious but some employers do not seem to engage as much in this important activity as desirable. They fear that educating employees will cause them to ask for higher wages, and/or to leave their current employer if their demands are not met. Some employers think that training employees will encourage them to criticize decisions made by the management.

Furthermore, investigations discover that training on the job is very effective and it also saves time and expense. Training and development, on-the-job training, training design and delivery style both have a significant impact on employee performance and productivity and all of these have a positive impact on increasing a company’s performance. It was clear from the respondent's response that participation and collaboration between managers and employees are necessary to produce the maximum impact reflected in the form of enhanced performance Achieving that requires mutual effort; Managers need to identify only those employee development programs that can add value to the central and the organization, and those developed employees who need the necessary resources to work with them and provide the necessary management or leadership support to translate new skills acquired from them. And development programs for action.
Human Resources are the people involved in staffing and managing an organization. Human Resource Management is a set of activities and functions that are designed for maximizing the efficiency of the employees as well as the organization. Human Resource management comprises principles and methods which are applied for recruiting, retaining, training, developing and compensating the employees within the organization (Gonchkar, 2012).

Human resources form the backbone of every organization. In the present age of globalization, human resources have become a strategic resource for gaining sustainable competitive advantage. A quality workforce is a key differentiator between a good firm and a great firm. A key role of Human Resource management is the training and development of human resources. Effective training and development of human resources of an organization are associated with both immediate and long-term returns. Training is an important element for improving performance; it increases the level of the individual as well as an organizational competency. It also holds the key to unlocking the opportunities for potential growth and development to achieve a competitive edge. Training programs acquaint employees with advanced technology and help them in attaining strong competencies and skills for handling the newly introduced technology. Training facilitates updating of employee skills and leads to increased well-being, commitment, and sense of belonging to the organization, hence directly strengthening the firm’s competitiveness (Acton & Golden, 2002). Training has a distinct role in the accomplishment of organizational goals by integrating the interests of the organization and the workforce (Stone, 2002).

Traditionally training has been defined as the process through which individuals enhance or modify their knowledge, skills, attitudes, and or behaviors (Cole, 2002). Training and development generally are referred to as planned learning experiences that educate the employees about undertaking current and future jobs. At its heart is the improvement in the performance of participating individuals. Learning is attained through training and development therefore; these are meant to be translated as an organizational resource through which the people acquire knowledge, infer, and are utilized (Tahir et al., 2014). The main role of training is to improve the skills of employees for present and future roles and responsibilities. Armstrong (2006) asserts that trained employees usually work better in teams as they are aware of the expectations and together can achieve them smoothly. In addition, staff receiving regular training are more likely to accept change and share new ideas (Bhat, 2013). Training is a significant variable in enhancing organizational productivity. Research (Sims, 2000; Sims, 2002) has conclusively proved that training is a powerful instrument in the successful attainment of a firm’s goals resulting in high performance and productivity of the firm. Performance refers to working effectiveness or the achievement of something significant. Organizational performance is realized both at the level of the organization and that of the individual. The interrelationship between these two levels will characterize the vantage points of the organization (Tahir et al., 2014). The present research is focused on the evaluation of training and development of employee performance in a Libyan bank therefore, it is necessary to understand the Libyan educational system and the banking industry. Services businesses must keep their employees’
knowledge and competencies up to the mark because of the global saturation occurring in services (Imran and Tanveer, 2015). Dessler (2005); Aguinis (2006); and Dessler & Varkkey (2010) have discussed the various methods for measuring the performance of employees: Alternate ranking, Graphic rating (rank employees based on the score won in the list of traits included on the rating graph), Paired comparisons, Forced distribution, Critical incidents, and behaviorally anchored rating scale. These methods are selected by supervisors based on the evaluation policies of the organization.

References


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