

## EMPLOYEES PERCEPTION FOR TRAINING AND DEVELOPMENT PRACTICES IN BANKING SECTOR

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### ABSTRACT

*Human resource is the backbone of any organization. Properly trained and highly developed human resource is perceived as the greatest asset of an organization. Trained personnel contribute to the efficiency, growth, increased productivity and market reputation of an enterprise. Organizations need to realize and strategically train and manage the resource for a sustainable growth in the present uncertain environment. Past research studies on training and development programmes indicate that appropriate training delivery and methodology is crucial decision, the trainers have to make to yield optimum result. This has been realized by industrial, commercial, research establishments and even government institutions. In this context present paper is an endeavour to look into the functioning of training delivery and methodology as perceived by the employees in the public sector banks as well as private sector. This paper also makes an attempt to outline the various objectives of bank training, methods and sources used in banks for identifying training needs, aspects which are emphasized more by banks while imparting training to employees and benefits of bank training to employees. Moreover the level of satisfaction of bank officials over the training and development programmes are also measured.*

**Keywords:** *Efficiency, Private Sector Banks, Productivity, Public Sector Banks, Satisfaction, Sustainable growth, Training and Development.*

### Introduction:

Globalization has made the world a global village where new markets offer new challenges and opportunities. Global issues like trade barriers, exchange rates, tariff and distribution become important elements of managerial choice. Technology has increased accessibility, visibility and connection, including offering varied and faster delivery choices. The connected world is shrinking, changing rapidly and information is flowing more freely. The Banking sector is no exception. Banking is a key driver for growth of the economy. Indian banking sector is undergoing rapid transformation and is expected to change and evolve considerably in the near future. With Indian economy moving to a higher growth trajectory, Indian banking industry is at the threshold of exponential growth. In 2009, the Indian Banking sector had being opened up. Attracted by the idea of servicing a fast growing economy and the liberalised scenario post 2009, a host of foreign banks have acquired the banking licences. Hence, competition had intensified further. Indian Banks fall short on both counts: on scales as well as on efficiency.

Due to the rapid globalization and internationalization of the financial system and the momentous advancement in technology, the new challenges have emerged in the banking environment. Employees represent increasingly diverse demographic backgrounds. On the one hand, banks are grappling with the challenge of aging employees while on the other hand; there are the young entrants with altogether different cultural ideologies. Customers are increasingly segmented, literate and demanding and so are employees' expectations, which are continuously rising as they gain in education and skills. Investors have become increasingly attuned to and actively concerned about not only financial results but also intangibles. Competitors come from both traditional large players but increasingly from smaller private and foreign banks. These trends are affecting all aspects of banking operations from managing capital requirements to positioning the bank in the customers' minds and how to engineer and deliver newer products and services in tune with fast changing customer expectations. The fast changing and challenging operating environment requires new skills and the ability to manage the challenges. The need of the time is to have the talent which may see the new emerging opportunities also must

have ability to deal with the high level of changeability and find the way through unstable conditions. So, there needs to be avenues for continuous learning.

The most important thing for future development and growth in the banking sector is the investment in human capital development. Building human capital has become much important in today's competitive world. The needs for banking institutions to attract and retain the best skills and talents have become more urgent. Banking institutions need employees with the essential skills and expertise not only at the strategic and management level, but also at the technical and operational level. However, the role of the bank training colleges has to be substantially redefined. The colleges have to move away from the usual 'headcount'- oriented training activities to competence building processes. This would get the training colleges to get actively involved in the whole range of training process starting from identification of training needs to evaluation of training effectiveness and its benefits to the end users - the internal and external customer. This linkage would make training interventions meaningful to bank organizations. Individual banks are required to undertake review of the existing training system as a whole in the context of newly emerging training needs and examine adequacy of courses, existing infrastructure, faculty development, training materials and relevancy of teaching methodologies etc. In the present scenario, banks have to develop a comprehensive training policy and demonstrate their commitment for training.

### Literature Review:

Donald (1997) revealed that Evaluation, Training and Development Handbook approached its, evaluation process in a more logical way. The author emphasized that while evaluating training, instead of just studying the reactions of the trainees, the study could be carried out in four different levels viz., i.e., reaction, learning, behaviour and results. The author's guidelines and discussions on each level of evaluation of training are worth mentioning. Richards (1997) highlighted that management Training-the Real Objectives views that while embarking upon a management programme, the real objective must be to focus on the individual manager, not the position in the company. The author's discussion on training needs analysis i.e., about core competencies, job profiling and identification of competencies gaps-either against core competencies for individuals or against job profiles for generic roles is worth mentioning. Shishupal and Karunesh (1999), Role of Training in Developing Human Resources is another work of relevance. In this, the authors concluded that an organization should have well-defined training policy as well as training manual and training should be made an ongoing process. Regarding the executive development programmes the authors have concluded that, these programmes have been found to be useful in improving the productivity, efficiency and effectiveness of managers. The authors have suggested that these programmes should be included as an integral part of the

training programme. Riyaz (2004), in their study empirically examined the training policy in two commercial banks, namely, State Bank of India and Jammu & Kashmir Bank Limited. The focus is on the various facets of training including Management's attitude towards training, training inputs, quality of training programmes and transfer of training to the job

### Section-I

#### Need, Objective and Research Methodology:

The present paper endeavours to study the training and development of employees in banking sector. With the introduction of core banking solution, electronic fund transfer, real times gross settlement system and electronic clearing services, there is a major change in the methods of performing their duties. E-banking has led to change in working hours, reduction in processing of work, employee productivity, decision-making processes, working conditions, relationship of employees with the bank and customers, etc. Further, centralized data base, online data availability, any branch banking, paperless transactions and up-to date information have led to sweeping changes in productivity and operational performance of the banks. But the bank employees can cope up with all the changes only if proper training and development is being imparted to the employees by the banking sector. The objective of present paper is to identify the training needs of the employees and objectives of the banks to impart training. Further an attempt has been made to know employees perception on training and to have an insight about the employees' perception on modes of training.

#### Sampling and Data Analysis:

The study is mainly based on the primary data collected from the employees working in the banking sector of Punjab region, with the help of a well drafted pre-tested questionnaire. Sample of 400 employees was drawn from eight banks in all, four from the public sector and four from the private sector. These banks include State Bank of India, Punjab National Bank, Punjab and Sind Bank, Bank of Baroda, HDFC Bank, ICICI Bank, AXIS Bank and YES bank. A specifically designed questionnaire was used as tool, and bank employees were requested to fill it during office hours. Different branches from different regions were selected for the purpose. The respondents were selected among the people working at different levels like executive manager, assistant manager, relationship manager, branch manager, officer, cashier, clerk, front desk executive. Some of the employees refused to respond due to lack of time especially from the private sector banks. Descriptive analysis was used to present the profile of respondent. It includes average, frequency and percentage of data value for each of the variables etc. SPSS 13 and 17 versions are used to analyze the required data. Following table indicates the demographic profile of employees working in various public and private sector banks.

### Section-II

This section carries the response data collected from the respondent employees. Mean scores are calculated for different statements to find out which key factors are important to provide training and development to employees. This section covers as to what are the objectives of the banks to impart training, different methods used by the banks for training, different aspects emphasized by the banks while imparting training and benefits to employees after training.

Table 2 mentions the overall objectives of the bank training for employees. Employees perceive that the main objective of bank training is to increase the quality and magnitude of work with 4.10 mean. Furthermore the second main objective of bank training is to equip staff with more skills with mean of 3.96. Also to identify and develop the inner potential of the staff (3.94) is considered to be an objective for training. As in order to meet future challenges and development plans (3.89), banks also provide training to its employees. More over in this fast changing technological business environment banks provide training to employees to acquaint them and to familiarize them with the new work practices like computerization etc (3.88). In order to facilitate innovation and to introduce new products, programs, product orientation (3.8850) bank training is provided. Employees also perceive that in order to ensure better job adjustment and to have high morale amongst employees (3.7575) and to provide additional knowledge and meets the needs of redeployment (3.6650) the bank training is provided to employees.

Table 3 exhibits the methods or sources used in banks for identifying training needs of employees. Mean score was calculated for ranking of services. It shows that banks provide training to its employees just on the basis of supervisory recommendations like recommendations by RBI etc with mean score of 3.95. Demands due to the latest trends in banking like fast changes in products and systems in the banking field (3.93) is again one of the ways for identifying the training needs of employees. Personal development plans of employees (3.88) and Opinions and suggestions of external and internal experts in banking field (3.83) are the main sources by which training needs in banks are identified. More over bank's training needs can also be identified by considering the bank job related problems (3.81) and also various technical study, skill analysis, competency mapping (3.76) etc can be done for identifying the performance gaps. Employees also perceive that based upon their suggestions (3.73) and based upon the appraisals by self, peer or co-workers, superiors and by experts (3.70) banks identify their training needs. Most importantly it is customer complaints survey (3.64) by which actual performance gaps can be identified and in order to reduce such complaints training is provided to the employees. And ultimately the competition, and the training programs provided by other banks (3.55) is major source of identifying training requirements of bank employees.

Table 4 exhibits the various aspects which are emphasized more by banks while imparting training to employees. It was found that most of the employees perceive that there are various aspects which are given importance by banks while imparting training to them. Product knowledge has been sorted out with the highest score of (5.58), which means that while imparting training to employees, giving knowledge about the banks products is considered to be most important. Further, the training regarding banking theory and practice somehow decreased to (5.38). Employees also perceive that banks emphasized on providing training regarding updates on developments in banking sector to a large extent (4.93). Also employees agree that training regarding computer skills and banking software (4.66), has made their survival in banking industry very easy and moreover, their work has also become easy and fast. Further more employees perceive that banks emphasis on training of behavioural science and soft skills to an extent (4.47). Training regarding team building and people development skills is also given importance (3.96). And finally the training regarding the marketing and customer service aspects is emphasized to an extent (3.87). Language training is also provided to the staff in banks (3.11).

Table 5 reveals the benefits of bank training for the employees. Employees perceive that there is an increase in the level of motivation and positive attitude amongst them after training with a weighted average score of (6.19). Secondly, training has also benefited employees by increasing the level of awareness of employees in practical banking (5.42). Furthermore, bank training has also improved the interpersonal relationships amongst the employees (4.81). Employees also perceive that there is an increase in theoretical knowledge of employees after training (4.69). Moreover, training has helped in improving the quality of work life (4.48). Also after training employees develop the better sense of personal fulfilment and growth (4.08). One of the benefits of bank training as perceived by bank employees is that employees are able to make use of it for grabbing the promotion opportunities (3.51) and lastly employees also perceive the advantage of bank training is that they get a chance to be away from regular job for few days (2.78). Hence, we can draw inference that level of motivation, awareness in practical banking is highly increased after bank training. Also personal relations among employees and sense of self fulfilment have been made good. The knowledge of employees has been continuously upgraded.

### Level of Satisfaction of Bank Officials over the Training and Development Programmes:

The respondents were asked to express their level of satisfaction over the overall outcome of the Training and Development programmes they attended. The level of satisfaction of respondents was asked after recording their opinion about objectives, methods and basics of the programmes. Their responses were recorded on 'extremely satisfied, very satisfied, moderately satisfied, a little

satisfied and not satisfied' scale. These attributes were assigned weights as 5, 4, 3, 2 and 1 respectively in order to get the mean level of satisfaction. The results, so obtained, are presented in Table 6.

Table 6 showed that highest proportion i.e. 50.00 and 40.50 percent of the respondents in Public Sector and Private Sector Banks respectively were very satisfied over the outcome of the Training and Development programmes in their banks. As much as 20.00 and 22.50 percent of them respectively were found to be extremely satisfied. There was only 1.50 percent in Public Sector Banks who were not satisfied over the outcome while this proportion was 8.50 percent in case of Private Sector Banks.

The average level of satisfaction came to be 3.81 in case of Public Sector Banks and 3.64 in case of Private Sector Banks. This average score is nearer to 4, which is a score assigned to very satisfied level. Hence, on overall level, the respondents in both sectors of banks were very satisfied over the outcome of Training and Development programmes they attended organized by their banks. The unpaired t-value (1.62) was found to be non-significant which indicated that the level of satisfaction over the outcome of Training and Development programmes was similar in both sectors of banks under study. The analysis brought out that the Training and a Development programme is a major success in the banks.

#### Perceptual Variation:

In the present study, perceptual variation was analyzed and it was revealed as shown in table-6 with the help of t-test. In the comparisons the t-value was found to be ( $P > 0.05$ ) which shows that there is insignificant perceptual variation between and within the employees of the sample banks or it can be said that they are almost possessing identical perception regarding training delivery and methodology and it also indicated that the level of satisfaction over the outcome of Training and Development programmes was similar in both sectors of banks under study. The analysis brought out that the Training and a Development programme is a major success in the banks.

#### Findings of the Study:

- Trainer moderately plays a key role in changing the employee's skills and attitudes in both the organizations.
- The employees of both the organizations point out that the main objectives of the banks to impart training are to increase the quality and magnitude of work and to equip staff with more skills so as to meet future challenges and development plans of the banks.
- Banks provide training to employees to acquaint them and to familiarize them with new work practices and also to facilitate innovation and to introduce new products.
- Employees also perceive that in order to ensure better job adjustment and to provide additional knowledge, the bank training must be provided.

- The primary method used in banks for identifying training needs of bank employees are on the supervisory recommendation.
- The various aspects which are emphasized more by banks while imparting training to employees are product knowledge, banking theory and updates on developments in banking sector.
- The study reveals that training to employees increase the level of motivation, create positive attitude and also improve inter-personal relation between the employees. Personal relations among employees and sense of self fulfillment have been made good. The knowledge of employees has been continuously upgraded.
- In the Private sector banks, orientation method is mostly used for training to employees followed by the job-rotation in case of managers and lecture method in case of non-managers. However, In the Public sector banks, various on the job and off the job training methods are moderately used, wherein Lecture method is mostly used as a medium of training for managers and orientation for non-managers followed by other methods.
- Mostly traditional training methods are used and less usage of the other methods is seen to be adopted by the banks for training.
- Regarding training environment and facilities other than library, the employees of the sample organization seem largely satisfied.
- All the employees have identical perception regarding the overall training delivery and methodology.

#### Conclusion:

For the future development and growth in the financial services sector the investment in human capital development is very significant. Only those institutions will be successful which give high priority to the continuous development of human capital. So the present paper highly focused upon the training and development needs of employees in public and private sector banks. Various training needs were identified by the perception of employees. The findings of the paper showed that the major reason to impart training to the employees was to increase the quality and magnitude of the work and to equip the staff with more skills. Further, with introduction of centralize data base, core banking solution and on-time data availability; training to bank staff has become as one of the most important issue to be focused upon by every small and large bank, though it involves a lot of capital investment. But before the adoption of training practices, every bank must identify its training needs as it deals with human asset. Once training needs are identified, it should be given by the experts so that training can work as an intrinsic value enhancement tool for the employees which in turn will increase productivity and profitability of the banks.

**Table 1: Socio-Economic Profile of Employees**

Socio-economic Indicators	Frequency	Valid	Cumulative Percentage
<b>Gender</b>			
Male	285	71.3	71.3
Female	115	28.8	100
<b>Total</b>	400	100	
<b>Age</b>			
Below 30 yrs.	169	42.3	42.3
30-40 yrs.	121	30.3	72.5
40-50 yrs.	109	27.3	99.8
50-60 yrs.	1	0.3	100
<b>Total</b>	400	100	
<b>Educational Qualification</b>			
Undergraduate	17	4.3	4.3
Graduate	174	43.5	47.8
Post-graduate	175	43.8	91.5
Professional Degree	34	8.5	100
<b>Total</b>	400	100	
<b>Experience</b>			
Below 5 yrs.	162	40.5	40.5
5-10 yrs.	76	19.0	59.5
10-15 yrs.	46	11.5	71
15-20 yrs.	116	29	100
<b>Total</b>	400	100	
<b>Position</b>			
Executive Manager/ Officers	221	55.3	55.3
Non Executive Manager/ Non Officers	179	44.8	100
<b>Total</b>	<b>400</b>	<b>100</b>	

**Table 2: Objectives of Bank Training**

Statements	Degree of Agreement					WAS	Rank
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree		
Provide additional knowledge and meets the needs of redeployment	48	217	96	31	8	3.6650	10
Introduce new products, programs, product orientation	79	225	71	21	4	3.8850	6
Familiarize with the new work practices e.g. computerization	102	180	93	21	4	3.8875	5
Increase the quality and magnitude of work.	99	210	76	13	2	4.1025	1
To equip staff with more skills	101	195	93	9	2	3.9600	2
To meet future challenges and development plans.	87	207	85	20	1	3.8975	4
To equip the staff for promotion	69	207	95	29	0	3.7900	8
To introduce the staff to the organizational culture and enhancing it.	73	201	108	13	5	3.8120	7
To ensure better job adjustment and to have high morale	88	171	103	32	6	3.7575	9
To identify and develop the inner potential of the staff – developing people.	105	195	76	22	2	3.9475	3

**Table 3: Methods/ sources used in banks for identifying training needs**

Statements	Degree of Agreement					WAS	Rank
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree		
Appraisals (By self, peer or co – workers, superiors and by experts).	59	204	99	34	4	3.7000	<b>8</b>
Demands due to the latest trends in banking	97	199	88	13	3	3.9350	<b>2</b>
Customer complaints survey	73	159	127	35	6	3.6450	<b>9</b>
Technical study, skill analysis, competency mapping	75	179	123	21	2	3.7600	<b>6</b>
Opinions of external and internal experts.	83	193	100	23	1	3.8350	<b>4</b>
Personal development plans.	106	178	83	30	3	3.8850	<b>3</b>
Based on job related problems.	85	193	90	28	4	3.8175	<b>5</b>
Based on employee suggestions.	66	201	101	26	6	3.7375	<b>7</b>
Based on the training programs provided by other banks.	58	168	123	40	11	3.5550	<b>10</b>
Based on supervisory recommendations.	97	201	88	13	1	3.9500	<b>1</b>

**Table 4: Aspects which are Emphasized by Banks While Imparting Training to Employees**

Statement	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Rank 7	Rank 8	WAS	Overall Rank
Banking theory and practice	122	46	46	49	41	28	20	48	5.38	<b>II</b>
Product knowledge	96	76	76	27	33	44	29	19	5.58	<b>I</b>
Updates on developments in banking	35	86	55	68	42	44	52	18	4.935	<b>III</b>
Behavioural Sciences [soft skills]	40	42	65	39	63	66	55	30	4.4725	<b>V</b>
Computer skills and banking software	37	52	54	64	75	51	43	24	4.6675	<b>IV</b>
Team building and people development skills	15	41	50	60	54	56	71	53	3.965	<b>VI</b>
Language training	14	22	29	41	42	48	86	118	3.1175	<b>VII I</b>
Marketing and customer service aspects	39	36	26	51	50	67	41	90	3.87	<b>VII</b>

**Table 5: Benefits of Bank Training**

Statement	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Rank 7	Rank 8	WAS	Overall Rank
Increased motivation and creative positive attitude.	174	71	36	35	19	20	18	27	6.1975	<b>I</b>
Increase of awareness in practical banking.	64	74	97	37	41	51	21	15	5.4275	<b>II</b>
Improved interpersonal relationship.	27	63	89	55	51	55	32	28	4.8175	<b>III</b>
Improving the quality of work life.	32	64	28	66	63	71	51	25	4.485	<b>V</b>
Increase in theoretical knowledge.	42	51	54	58	75	57	38	25	4.6975	<b>IV</b>
Better sense of personal fulfilment and growth.	19	28	45	71	67	82	57	31	4.08	<b>VI</b>
Able to make use of the promotion opportunities.	19	25	39	46	48	35	128	60	3.51	<b>VII</b>
Got a chance to be away from the regular job.	21	25	11	33	38	29	57	186	2.7825	<b>VIII</b>

**Table 6: Level of satisfaction among employees regarding overall training and development**

Level of Satisfaction	Public Sector		Private Sector	
	No.	%age	No.	%age
Extremely Satisfied	40	20.00	45	22.50
Very Satisfied	100	50.00	81	40.50
Moderately Satisfied	44	22.00	48	24.00
A little Satisfied	13	6.50	9	4.50
Not Satisfied	3	1.50	17	8.50
Mean Level	3.81	Very	3.64	Very
SD	0.88	Satisfied	1.13	Satisfied
t-value		1.62		

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