

A study on evaluating the effectiveness of training in Public Sector Bank with special reference to SBI

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ABSTRACT:

Training and development is vital part of the human resource development. It is assuming ever important role in the wake of the advancement of technology which has resulted in ever increasing competition, rise in customer's expectation of quality and service and subsequent need to lower costs. The critical question however remains the implications and the contribution of training and development to the bottom line of organizations performance. A training needs identification therefore identifies the gap between what the job expects an employee to do, on the one hand, and what the employee is actually doing, on the other. A training needs analysis discovers whether there is a discrepancy between what an employee ought to be doing and what he or she can do. After globalization and privatization, lot of competition exists between banks- both in Public and Private Sector compelling quick and efficient services reinforced by innovative products and services. This development opened up the need for training to the bank employees to adapt to changes and to contribute for efficient service to customers. Banks also use training to improve the ability of their employees for customer satisfaction as a primary goal. Banker considers that giving emphasis on training is the best way to expand productivity. In connection with the above lines, this paper aims to investigate the differential changes in public sector bank in their purposes of conducting training, basis for training needs identification and design and implementation of training programmes. The present study makes an effort to assess the training and development practices in public sector (SBI) with special reference to its impact on employee's effectiveness.

Keywords: *Training And Development, Training Needs Identification, Banking Sector, Employees Effectiveness. Organizational Growth.*

INTRODUCTION

Training and development is vital part of the human resource development. It is assuming ever important role in the wake of the advancement of technology which has resulted in ever increasing competition, rise in customer's expectation of quality and service and subsequent need to lower costs. It has also become more important globally in order to prepare workers for new jobs. Training is the process of learning a sequence of programmed behaviour. Employee training tries to improve skills or add to the existing level of knowledge of the employees so that they are better equipped to do their present job, or to prepare them for a higher position with increased responsibilities. However individual growth is not an end in itself. Organizational growth also needs to be measured along with individual growth. In today's scenario, change is the order

of the day and the only way to deal with it is to learn and grow. Employees have become central to success or failure of an organization. They are the cornucopia of ideas. So it is high time the organization realize that "train and retain is the mantra of new mill-ennium."

The following are the two biggest factors that contribute to the increased need to training and development in organizations:

1. Change: The word change encapsulates almost everything. It is one of the biggest factors that contribute to the need of training and development. There is in fact a direct relationship between the two. Change leads to the need for training and development and training and development leads to individual and organizational change, and the cycle goes on and on. More

specifically it is the technology that is driving the need; changing the way how businesses function, compete and deliver.

2. Development: It is again one the strong reasons for training and development becoming all the more important. Money is not the sole motivator at work and this is especially true for the 21st century. People who work with organizations seek more than just employment out of their work; they look at holistic development of self also. Spirituality and self-awareness, for example, are gaining momentum world over. People seek happiness at jobs which may not be possible unless an individual is aware of the self. At Ford, for example, an individual can enroll himself / herself for a course on 'self awareness', which apparently seems

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inconsequential to one's performance at work but contributes to the spiritual well being of an individual which is all the more important.

The critical question however remains the implications and the contribution of training and development to the bottom line of organizations performance. To assume a leadership position in the market space, an organization will need to emphasize on the kind of programs they use to improvise performance and productivity and not just how much they simply spend on learning.

Training Need Identification:

Training needs assessment can be defined as determining the gap between what the employees must be able to do and what they can and/or are currently doing. A training needs assessment therefore identifies the gap between what the job expects an employee to do, on the one hand, and what the employee is actually doing, on the other. A training needs analysis discovers whether there is a discrepancy between what an employee ought to be doing and what he or she can do.

Identification of training needs, if done properly, provides the basis on which all other training activities can be considered. Identification of training needs is important from both the organizational point of view as well as from an individual's point of view. From an organization's point of view it is important because an organization has objectives that it wants to achieve for the benefit of all stakeholders or members, including owners, employees, customers, suppliers, and neighbors. These objectives can be achieved only through harnessing the abilities of its people, releasing potential and maximizing opportunities for development. Therefore, people must know what they need

to learn in order to achieve organizational goals. Similarly, if seen from an individual's point of view, people have aspirations, they want to develop and in order to learn and use new abilities, people need appropriate opportunities, resources, and conditions. Therefore, to meet people's aspirations, the organization must provide effective and attractive learning resources and conditions. And it is also important to see that there is a suitable match between achieving organizational goals and providing attractive learning opportunities.

Training evaluation objectives and benefits:

The primary and overriding objectives of the evaluation of training initiatives should be to collect data that will serve as a valid basis for improving the training system and maintaining quality control over its components. It must be emphasized that the training personnel should be committed to evaluating the effectiveness of their initiatives. Several potential benefits result from evaluating training programmes:

1. Improved accountability and cost effectiveness for training initiatives which might result in an increase in resources
2. Greater credibility for the training staff to include information to redesign current or future initiatives
3. Increased knowledge and expertise in the development and implementation of training initiatives
4. Formal corrective feedback system for developing strengths and weakness of training participants
5. The ability to modify the training initiative based on feedback gained through ongoing evaluation.

Review of Literature:

The literature reviewed mentioned below brings out various dimensions of study and research conducted. There are a number of studies concerning training and development, effectiveness of training and its significance. In order to meet the ever-growing needs of business and household banking has to become dynamic and updated in modern scenario and also to take up this industry to the heights of international excellence requires best combination of new technology and skillful and talented manpower. Therefore most of the commercial banks either private or public adopt training and development programmes at the time of induction, promotion and other situation.

India is emerging as an economy much ready to accept the challenges from external environment being one of the most consistently called Developing countries. India has shown with times an urge to accept change when it was needed the most year 1991 marked a great change with arrival of major policy reforms in the form of deregulation, privatization, de reservation, foreign investment, export promotion and import substitution so on these policies no lesser than a boon to Indian economy. Grider et. al (1990) Conducted a study to determine which training evaluation method were perceived to be the most effective by training professionals, and which methods were most frequently used. For this purpose they selected members of American Society for Training & Development (ASTD). The findings of the study suggested:

Integrate T&D into the strategic plan of the firm. Provide necessary resources to evaluate the training activity effectiveness.

Establish an information network to facilitate access to necessary data for before and after measurement

The most important benefit to be gained from successful evaluation will be improvement in organizational performance and increased employee satisfaction.

Bramely (1992) believes that Behavioural change is introduced through training evaluation presents a, three-part approach:

- Evaluation of training as a process
 - Evaluation of changes in knowledge, skills, attitudes and levels of effectiveness
 - Various approaches to evaluation such as interviews, surveys, various methods of observing behavior and testing.
- Saxena (1997) undertook a study on the role of evaluation of training in designing training programmes in institutions of government, private, public and banking sectors. A total of 100 training and development programme participants were selected randomly by the investigator.

M. Narsimham on Banking Sector Reforms in 1998 focused on strengthening the foundations of the banking system, streamlining procedures, upgrading technology and human resources development and further structural changes. V S Ramarao (2010), studied the need for training and stated that quality suffers when quantity increases uncontrollably which is what happening with India. His study talks about training as a core solution for human resources development especially in India where labour is available with less matching training facilities. As a result of training the trainee learn new habits, refined skills and useful knowledge during the training that helps him improve performance.

Statement of the problem:

After globalization, numbers of multinational banks have come up to make a substantial difference in banking services. In this direction, Reserve Bank of India through its guidelines insisted on the establishment of private sector banks to generate healthy competition in banking sector with an aim to improve productivity and profitability of all the banks in the industry. In public sector banks, it is generally found that, the productivity and profitability have improved along with the job profile of the employees as they introduced various innovative products and services to cater the needs of customers. The question is how far this can be attributed to the training activities in banks. Training is a costly investment that will yield rich dividends in the long-run. Hence, the role and relevance of this HRD function must be recognized and valued at all levels of the organization. Accordingly, training initiatives should be planned, developed, budgeted, conducted and evaluated with greater care. This study attempts to evaluate the effectiveness and results of training in banking sector to improve better productivity under the present circumstances of computerized banking environment.

Objectives

- To examine the effectiveness of training in overall development of skills of workforce in banking sector.
- To evaluate training need assessment techniques for proper implementation of training program

Methodology:

Primary data is collected through questionnaire. For designing an effective questionnaire for the study, it was felt necessary to test the validity of the

questionnaire. This was done by a pilot study consisting of visit to the bank by developing a draft questionnaire and getting opinion of the bank employees on the draft questionnaire. The questionnaire was finalized based on the comments and suggestions of the bank employees and also the enhanced exposure of the researcher based on the field visit to bank. Secondary data for the study were collected from reputed journals, magazines, websites and bank records. Simple random sampling technique is used to collect the data. Total finite sample size for this study is 248 respondents. The study is explorative as well as descriptive in nature. The study is carried out in Delhi NCR.

Analysis of the Data: The data is analyzed to determine effectiveness of training and employees perception levels. Table 1,2 and 3 shows the results of the regression analysis. The multiple correlation coefficient (R), coefficient of determination (R²), and F ratio were examined to predict the goodness-of-fit of the regression model. The R of independent variables (three factors, need, design, objective) on the dependent variable (evaluation) is 0.614, R² is 0.377, the F ratio had a value of 59.408 and was considered significant (p=0.000). The regression model achieved a satisfactory level of goodness-of-fit. In the regression analysis, the beta coefficients could be used to explain the relative importance of the three dimensions (independent variables) in contributing to the variance in evaluation (dependent variable). There is significant relationship between objective, need, design and evaluation.

Model Summary

Model	R Square	R	Adjusted R Square	Std. Error of the Estimate
1	.614a	.377	.373	.59408

a. Predictors: (Constant), Need, Design, Objective

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.978	.175		5.577	.000
Objective	.163	.028	.212	5.854	.000
Design	.404	.029	.498	13.840	.000
Need	.177	.043	.151	4.138	.000

a. Dependent Variable: Evaluation

Table 4 shows the correlation. There is a significant positive correlation of 0.151 between training objectives and learning outcomes. Hence we accept the hypothesis. There is also a high significant ($p < 0.01$) positive correlation of 0.330 between Training design and learning outcomes. Training needs analysis also is positively related (correlation = 0.087) with learning outcomes, however it is not significant. Training objectives, training design (correlation = 0.364) training need analysis is significantly positively related to transfer. Training needs analysis, objectives and training design are also positively related with training results. OD display a significant positive relationship with results however relationship between training need and results are not significant. The correlation values of training objectives (correlation = 0.194) and training design (correlation = 0.448) and training need analysis (correlation = 0.166) with training reaction are also significant.

		Objective	Design	Need
Learning	Pearson Correlation	.151*	.330**	.087
	Sig. (2-tailed)	.017	.000	.172
	N	248	248	248
Transfer	Pearson Correlation	.153*	.364**	.144*
	Sig. (2-tailed)	.016	.000	.024
	N	248	248	248
Results	Pearson Correlation	.234**	.299**	.112
	Sig. (2-tailed)	.000	.000	.078
	N	248	248	248
Reaction	Pearson Correlation	.194**	.448**	.166**
	Sig. (2-tailed)	.002	.000	.009
	N	248	248	248

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

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

Discussion

Banks specifically invest in training of their employees, as they believe that the outcome of the training will help to achieve bank goals. Furthermore, the employees need to sharpen their existing skills and acquire new skills. Therefore, the study empirically examines the relationship between reaction, learning, behavior and results of training. The result shows that the variables are significantly and positively related to the Results of training. ‘

Suggestions:

Results from this study have potentially important implications for future research and practice. In general, the results of this research argue for examining all aspects of the training process when conducting training research on evaluation. The present study throws light on banking sector training programmes. Even though there are more researches related to evaluation of training, it emphasizes on public sector banks.

1. Regular training programme is essential for every employee.

2. Evaluation of training programme is necessary and should be carried out at the end of each training programme.

3. For conducting effective evaluation of the training programmes, **Kirkpatrick's Evaluation of Training Module** may be applied.

4. After each training program, feedback should be collected through questionnaire or any other means.

5. Before the preparation of the next training module the feedback from employees may be considered to appropriately design the next training module.

Conclusion:

Training is an investment rather than a cost to the organization. The use of all other resources directly depends on efficient utilization of human resources. Every organization needs to have well-trained and proficient people to perform various activities. As jobs have become more competitive in the banking sector, the importance of employee training has enlarged. A key for getting consistent success with training programs is to have a methodical approach to measurement and evaluation. Recognition of the training methods and measurement techniques are crucial for the organization's training success. Public sector bank has a good organization culture, excellent working environment and a very precious Asset (i.e. human capital) that is highly dedicated and hard working; well qualified knowledge workforce. Banks offered training to its employees of all departments. Since majority of the employees are adaptable to changes and try for self-development the training programme has positive effectiveness. From the analysis of the data it can be concluded that the training programmes offered in public sector banks are effective.

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