

# **The Impact of Training and Development on Employees Performance and Productivity: a case study of Banking Sector**

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## **ABSTRACT**

Now days, if organization want to survive in long run then, it is must that organization should have skillful and innovative employees to work and achieve organization as well as individual objective. Efficient employees contribute to the growth of the firm. HR Practices including training and developments helps in enhancing internal capabilities of an organization to deal with current or future challenges effectively. The purpose of this paper is to investigate whether training and development has impact on employees' performance and productivity. This paper is descriptive in nature, and data has been collected through various primary and secondary sources. The methodology was based on a questionnaire survey to collect the data, the study obtained information from twenty (120) respondents from employees of State bank of India Punjab National bank and ICICI Bank. Two Hypotheses are developed to see the Impact of all the independent variable on the overall employees' performance and productivity. Both hypotheses were examined through 'Correlation- & Regression Procedure. The major finding of the study is that training and development positively influence the employee's performance & productivity.

**Key words: Training and Development, Employees Performance and Productivity, SBI PNB ICICI**

## 1. INTRODUCTION

In this competitive era continuous training program is required for organizational effectiveness. Every day new techniques come into the market. Organization provides training to their employees for improving their skills that helps organization as well as individual to achieve their objectives. The main purpose of training is to improve knowledge, skills and provide proper guidance to new as well as existing employees which help employees for better performing their jobs more efficiently. An organization's goal can be achieved only when organization have right type of people in right number and providing them effective working environment and proper training to gaining competitive advantage. Training & development is necessary for progress of employees. Technology as well as other factor increased the needs of the training. Effective training and development program is the continuous activities which are performed by the organization because competition is increasing day by day.

## 2. REVIEW OF LITERATURE

**Dnyanesh Patil and Meenakshi Gupta, (2005)** according to their study opined that motivation and training is most important human resource practices and both HR practices were interrelated. Their study concluded that for motivation decides whether training programme will be effective or not.

As per the statement of **Taylor and MC. Graw (2006)**, explain in his study "Exploring human resource management Practices in non profit sport Organizations", states that the only a few of these sports organization have formal human resource management systems. Their research also identified that there was difference between human resource management practices used for paid employees and non paid employees. Among the other things he found that implication of systematic human resource management practices reduce the future challenges of sport organizations. To him effective HRM practices emphasizes on HR programmes, techniques and process.

**George & Scott, (2012)** according to their study "Training is effort initiated by an organization to foster learning among its workers, and development is effort that is oriented more towards broadening an individual's skills for the future responsibility".

## 3. RESEARCH OBJECTIVES

The present study seeks to achieve the following objectives:

- To study that training and development influences employee's performance.
- To evaluate the impact of training and development on productivity.

### 3.1. Limitation of the Study

- The study was limited up to some extend because it was not possible to cover entire banking sector.

- The study did not cover all the branches of State Bank of India, Punjab National Bank and ICICI Bank of Uttarakhand.

#### **4. RESEARCH METHODOLOGY**

Research methodology was one of the important parts of research. Therefore it should be well organized in nature. Research methodologies of the present study were outlined below.

##### **4.1 Sources of Data**

This research paper is an attempt of descriptive research based on Primary data and secondary data. Primary data was collected through well designed questionnaires and Secondary data was collected from various website, journals.

##### **4.2 Universe of the study:**

For the purpose of the study, the universe consists of all the employees of State Bank of India, Punjab National Bank and ICICI Bank of Uttarakhand.

##### **4.3 Sample Size**

A total of 120 questionnaires were collected.

##### **4.4 Data Analysis Tools**

SPSS, Correlation and Regression were used to analysis the data.

##### **4.5 Period of the Study**

Survey expanded near about two months from October 2019 to November 2019 to examine and evaluate the impact of training & development on employee's performance and productivity.

##### **4.6 Data Collection Procedure**

The questionnaires were distributed to the employee of all three banks. The field test had been conducted through the scheduled and face-to-face interview of the employees to ensure the simplicity, reliability, and usability of instruments. Their suggestion and feedback helped to further improve the survey. 10 question to be asked within 18-20 minutes in which mostly all questions were related with the training and development. The survey was done on the random sampling technique and 130 copies handed over to potential respondents. Only 123 copies of the survey had been returned and 120 copies of the survey were used in the study because 3 copies were not properly answered by the respondents.

##### **4.7 Research Hypothesis**

- H<sub>1</sub>: Training & Development is positively significantly related to the Employees Performance. .

- H<sub>2</sub>: Training & Development is positively significantly related to the Employees Productivity

## 5. DATA ANALYSIS AND FINDINGS

In the present study, we analyzed our data by Correlation, regression and ANOVAs test.

### 5.1 Demographic Characteristics of Sample Respondents N= 120

| S. No. | Demographics  | Punjab National Bank (37)                        | State Bank of India (84)                         | ICICI Bank (29)                                  | Total  |
|--------|---|--|--|--|--|
| 1.     | Gender :<br>Male<br>Female:   | 32(26.67)<br>19(15.83)                           | 23(19.17)<br>10(08.33)                           | 24(20.00)<br>12(10.00)                           | 79(65.84)<br>41(34.16)                           |
| 2.     | Age Group :<br>Less than 20<br>20 – 35<br>36 – 50<br>More than 50   | 04(03.33)<br>23(19.17)<br>17(14.17)<br>07(05.83) | 00(00.00)<br>19(15.83)<br>12(10.00)<br>02(01.67) | 06(05.00)<br>13(10.83)<br>09(07.50)<br>08(06.67) | 10(08.33)<br>55(45.83)<br>38(31.67)<br>17(14.17) |
| 3.     | Income Group :<br>Less than Rs. 5000<br>Rs. 5,000 – Rs. 10,000<br>Rs. 15,000 – Rs. 50,000<br>More than Rs. 50,000 | 06(05.00)<br>02(01.67)<br>24(20.00)<br>19(15.83) | 05(04.17)<br>11(09.17)<br>04(03.33)<br>13(10.83) | 02(01.67)<br>03(02.50)<br>14(11.67)<br>17(14.17) | 13(10.83)<br>16(13.33)<br>42(35.00)<br>49(40.84) |
| 4.     | Education :-<br>High School<br>Intermediate<br>Graduate<br>Post Graduate  | 01(00.83)<br>03(02.50)<br>17(14.17)<br>30(25.00) | 00(00.00)<br>04(03.33)<br>15(12.50)<br>14(11.67) | 03(02.00)<br>03(04.00)<br>12(10.00)<br>18(15.00) | 04(03.33)<br>10(08.33)<br>44(36.67)<br>62(51.67) |

**Source: Field Survey Table 5.1**

It is revealed from the Demographics that (65.84%) of the respondents is male and (34.16%) are female. Most of the employees belong to the Income group more than Rs50000 (40.84%). Most of the employees are Postgraduate (51.67%). Most of the employees belong to the age 20-35(45.83%).

## 5.2 Analysis of Data

This section presents employees response regarding impact of training and development on employee's performance and productivity. Respondents were asked to indicate the extent to which they agreed to statements relating to effectiveness of training & development system on a five-point likert scale (1 = strongly disagree – 5 = strongly agree).

### Correlations between Effectiveness of Training & Development and Employees Performance

|                        |                     | Training & Development | Employees Performance |
|------------------------|---------------------|------------------------|-----------------------|
| Training & Development | Pearson Correlation | 1                      | .735**                |
|                        | Sig. (2-tailed)     |                        | .000                  |
|                        | N                   | 120                    | 200                   |
| Employees performance  | Pearson Correlation | .735*                  | 1                     |
|                        | Sig. (2-tailed)     | .000                   |                       |
|                        | N                   | 120                    | 120                   |

Source: Field Survey

Table 5.2: Source Primary data

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

### Correlations between Effectiveness of Training & Development and Employees Productivity

|                        |                     | Training & Development | Employees Performance |
|------------------------|---------------------|------------------------|-----------------------|
| Training & Development | Pearson Correlation | 1                      | .729**                |
|                        | Sig. (2-tailed)     |                        | .000                  |
|                        | N                   | 120                    | 200                   |
| Employees performance  | Pearson Correlation | .729*                  | 1                     |
|                        | Sig. (2-tailed)     | .000                   |                       |
|                        | N                   | 120                    | 120                   |

Source: Field Survey

Table 5.3: Source Primary data

## Hypothesis Testing Results

There is an association between overall Training & Development programme and Employees performance Productivity

**Table 5.4: Source Primary data**

| SN             | Hypothesis   | B Value | t- Value | P Value | Conclusion          |
|----------------|--------------|---------|----------|---------|---------------------|
| H <sub>1</sub> | T&D --- > EP | .381    | 7.251    | .000    | Hypothesis Accepted |
| H <sub>2</sub> | T&D --- > EP | .390    | 7.356    | .000    | Hypothesis Accepted |

## Distribution of Employees according to their Perception Regarding Impact of Training and Development on Employee's Performance and Productivity

**Table 5.5: Source Primary data**

| S. No. | Attributes  | SDA           | DA            | NAND          | A             | SA            |
|--------|---|---------------|---------------|---------------|---------------|---------------|
| A1     | Training & Development improve the employees' performance in workplace        | 21<br>(17.5)  | 14<br>(11.67) | 19<br>(15.83) | 46<br>(38.33) | 20<br>(16.67) |
| A2     | Do you experience fruitful changes in working efficiency after being trained? | 18<br>(15)    | 23<br>(19.17) | 06<br>(5)     | 58<br>(48.33) | 15<br>(12.5)  |
| A3     | Does training improve productivity?   | 10<br>(8.33)  | 28<br>(23.33) | 15<br>(12.5)  | 39<br>(32.5)  | 28<br>(23.33) |
| A4     | Do you satisfy with organizational training and development programme?        | 13<br>(10.83) | 32<br>(26.67) | 02<br>(1.67)  | 62<br>(51.67) | 11<br>(9.17)  |

\* **SDA: Strongly Disagree, DA : Disagree, NAND : Neither Agree nor disagree, A : Agree, SA : Strongly Agree**

The study observed that, training and development influence the employee's performance and productivity.

(1) Most of the respondent believes that training & development improve the employees' performance in workplace therefore banks must focus on continual trainings.

(2) 48.33% employees agree with the statement employee's experience that fruitful changes in working efficiency after being trained. Good training must provides opportunities to learn and grow.

(3) 32.5% employees agree with the statement that training improve productivity.

(4) Out of the total respondents, 51.67% are satisfied with the organizational training and development programme.

## 6. CONCLUSION

In this study we take the fact of observation that training leads to important benefits for individuals and organizations. On the basis of the present study concludes that training & development leads to important benefits for individuals and organizations. Training and Development has positive effect on Organizational Performance & productivity. Discussion of all the results proves the hypotheses; H1: & H2. If there is a systematic training and development program for the employees the all three banks will get the long term benefits. It is also very important for the organizations to timely evaluate the success of employee training and development program.

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