



IMPACT OF TRAINING ON EMPLOYEE PERFORMANCE WITH REFERENCE TO BANKING SECTOR

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Abstract

The study is being carried out taking into consideration the significance of both Training & Development (T & D) and Employee Performance for the businesses at all levels and in all sectors. Banking sector is chosen as representative due to its backing up role in the economy of any country. It is most crucial for services businesses to keep their employees' knowledge and competencies up to the mark. Training is provided for performing a specific task. It is short-term and helps in enhancing the skills of an employee to do that particular job. Various kinds of training are provided to the employees of the organization depending on the needs of the hour. The organization should invest in employee training. organization must pay attention to the employees' needs and cater their need by providing required training on time. This paper tends to measure the impact of training on employee performance in the banking sector. Major findings were that most of the employees agreed to the statements by making it clear that T & D had a positive impact on their Job knowledge, work quality & quantity, functional skills, and their motivation & loyalty and these are all linked to their performance either strongly or moderately but in a supporting direction. Hence, the study concluded up with T & D positively impacting the employees' performance in the banks.

Keywords: *Training and Development, employee performance, job knowledge, functional skills.*

Introduction

Many industry employee administrators measure the employee performance of each staff member on a yearly or monthly basis in direct to help them identify suggested areas for development. To execute well in such an unstable environment competitively, they need resources such as capital, methodology, material, machines, men, and management information systems. These resources should be used in a very useful way to achieve strategic objectives. Many strategies have been implemented to develop the productivity of employees, such as job and organization design, job responsibility, public relation, staffing, motivation, reward training, and development. Among these factors, training is the most significant factor to obtain the maximum output of human resources. The training can be used to improve or develop job-related performances such as knowledge, skills, and attitudes of the employees. Training is one of the major functions of the human resource management and it is used to moderate the behaviour and the level of motivation aiming the positive input for the performance and finally for the output. Training has an important role in the achievement of organizational goal by integrating the interest of that provides training to their employees increase their productivity. The training is an important function for the survival of any organization. In the banking sector employee, skill and knowledge are important assets that improve productivity and performance. The bank is a service industry the services that bank are provided are delivered into its employees and the services are consumed by its customers at the same time. The bank employees stand for services and representation to the customer the quality and value of the bank's service. Satisfied employees are not only good and successful performers but also an efficient ambassador of their bank. They may bring heavy deposits and well-reputed customers to their bank while unsatisfied employees may not. Only satisfied employees are



loyal to the bank and may attract the outside business to their bank. Employee training plays an important role as it enhances the efficiency of an organization and helps the employees to boost their performance in an efficient manner. There are many reasons that create the barrier to perform the task, such as organizational culture and politics. Some of the employees have a lack of skills, abilities, knowledge, and competencies. Due to this they are failed to accomplish the task on a timely basis. Training helps employees to meet their existing job requirements or help employees to increase their productivity. Training and employee performance are significant factors to the firm that are inter related to each other. Training programs play an important role to measure the employee capabilities and firm capabilities. Performance can be measured using different factors. Performance includes both behaviour and results. When managing performance, those behaviour and results should be considered. Employee performance can be defined as a group of individual behaviour that makes big effort to achieve the firm's objectives. Employee performance mainly depends on different factors, such as employees' motivation, performance appraisals, job security, working environment and rewards. Employees' performance is regarded as a key component of the firm. If it is positive, may leads to success and if not it may leads to failure. Employees' performance is very important to the firm because that company mostly deal with more clients. If employees will perform well clients will satisfy more and if employees will perform poor, clients will dissatisfy.

Today, most of the organizations have been identified significant of the training to improve employee performance. Training can be defined as a learning activity which is direct towards the acquisition of specific knowledge and skills for the purpose of an occupation or task. (Cole, 2002). That explain, training is most needed component to develop employees' knowledge and skills to do their jobs very efficiently. According to (De Cenzo & Robbins, 1996), "Training is basically a learning experience, which seeks a relatively permanent change in an individual's skills, knowledge, attitude or social behaviour". That means to become an efficient worker, employees should have to better training to improve their skills, knowledge, attitudes and their social behaviour. That helped to do their current and future job duties and responsibilities in very effectively. In addition to that, employees who are work in organization learn how to work, what they should know, his or her relationships and how to work with their co-workers, supervisors and senior management of organization.

Employee Performance

Employees are the heart of the organization. Without them organization cannot reach their expectations. Employees of an organization who should know what are the key things they want to do their job in an effective manner. Every employee must know about performance expectations and goals of their organization. For that, employees are involved in the planning process to achieve goals and objectives of an organization, what need to be done, how it should be done. Organization management involves establishing employees' goals. It affected to employees' performance. Because it motivates employees to do their job well.

Impact Of Training On Employee Performance

In real business world, organizations' growth, goodwill and development is depend on various factors. Among these factors, employee training plays a major role to enhance employee performance as well as organization's productivity. According to that organization can face to their competition and organization become a leader in the industry. Therefore, organization should identify organization's training needs and provide better training for their employees. If not they will not reach their target in future. The organization provides better training and reward system for their employees for the expectation of higher performance from their employees. As a result of that employees are motivated



and they more likely to do their duties and responsibilities in an effective manner through effective training. Furthermore it positively impact to company loyalty (Myles, 2000). If company has well talented employees they can handle their work with customers with efficiently. Employees can provide better service to their clients. That leads to take better feedback from satisfied clients and organization can earn more profits, huge investments and more reputation for the organization.

Major Factors Impact on Employee Performance

1. Motivating the workforce

Due to the growth of the global market, a technological edge supported by a talent pool has become a vital factor for survival in the market. Due to the reason, organization gives main priority to technology advancement programs. HR managers are now performing the role of motivators for their knowledge workers to adopt new changes.

2. **Managing people:** Due to the increasing competition, there is a need in the organization for knowledge workers; hence the companies always look for an individual who can make a difference. Due to the reason, gaining the right knowledgeable person had become a costly deal for the organizations, but the attitude is different for those who are taking up responsibilities at a lesser age.

3. **Competency Development:** Human capital is the real asset for any organization, and this makes the HR role important in recruiting, managing, and retaining the best. The HR department has a clear role in this process and determines the success tempo of any organization. An urgent priority for most of the organizations is to have an innovative and competent HR pool; sound in HR management practices with strong business knowledge.

4. **Developing Trust factor;** Low levels of trust inhibit tacit knowledge sharing in the knowledge based industry. It is essential that companies takes more initiatives to improve the security levels of the employees.

5. **Work life Balance Factor:** This aspect creates with it the challenge of a smoother assimilation and the cultural binding of the new comers into the organization fold. The pressure of delivering the best of quality services in a reduced time frame calls for ensuring that employees maintain a work life balance.

6. **Attrition/Retention of the Talent Pool :** One of the toughest challenges for the HR managers in any industry is to deal with the prevalent high attrition levels. Though there is an adequate supply of qualified staff at entry level, there are huge gaps in the middle and senior level management in the industry. Further, the salary growth plan for each employee is not well defined. This situation has resulted in increased levels of poaching and attrition between organizations.

Objectives of the Study

The main objective of this research is to analyze the impact of the schedule of Training and Development on employee performance in selected banking sector.

1. To understand the different factors that influence employee performance.
2. To explore the impact of employee loyalty on organization success.
3. To learn how training helps the employees to enhance skills, knowledge and attitude.

Methodology

Primary data has been used in this paper to check the impact of training on employee performance through a well-structured questionnaire. While the secondary data resources are previous literature, journal articles, websites, and books.



Literature Review

Training Authors and human resource management experts have different and various definitions of training in Literature.

1. According to Donkor & Banki (2017) training as a concept leads to human development and human resources is the key pillar for all organizations.
2. For Ibrahim et al., (2017) training is the key tool that helps the organization in achieving the highest work performance.
3. Singh (2017) found that training is crucial and key tool to enhance the human power performance and it will increase the organization overall worth; but the most important hint must be taken in consideration that the organization must balance between training value and the expenses.
4. Kumar, Anitha (2016) stresses that Training is a development tool combined from skills, attitudes, and knowledge of employees to perform their work in the right manner.
5. Gautam, (2019). Training Design factors are course lifetime, needs, participants, intangibles, evaluation, resources, learning objective, and content (MIT, 2019)
6. Furthermore, Training Content concerned about the training topic itself; if its relevant, timely, and up-to-date content, how long this content will be relevant (MIT,2019b). Training Materials defined as recorded or printed information used in training such as; training activities, warm-up activities, flashcard, games, paper clips, etc. (Briscoe, 2019).
7. According to Duron et al. (2018), Recently organizations heavily invested in training which leads to a competition among these organization about the best practice in training that influence their success and increased their performance in the market.
8. While Daudt Archangelo & Duquette (2017) investigated that training must be a continuous process because of the rapid technological enhancement in the organizations systems which is the success edge for them.
9. Rutledge & Cathcart (2019) claimed that the training and employee development is useful for both individuals and organizations at all; when the organization focuses on employee training and development it will raise the organization's profitability either tangible or intangible profit.
10. Furthermore, training helps employees in their decision making process and solving the work problems in an effective view, and also it helps them in achieving higher self-confidence and development, it also helps in decreasing the work stress, tension, managing conflicts, and in the conclusion increasing their satisfaction in their jobs and being more loyal (Motlokoa, 2018).
11. (Afroz, 2018), (Bhat, 2017) revealed that training is one of the most effective tools and a fundamental one to achieve the organizational objectives and goals and it will help in achieving the aimed performance and higher work productivity.
12. Devi and Shaik (2012) have established that training is a strong medium that enables the workforce to extend their skill-set to a desired level for performing better at the workplace and plays a key role in modernizing the human resource practices (Punia & Kant 2013).
13. Olaniyan and Ojo (2008) have reinforced that machines alone can't produce output, neither money can generate value or deliver utility to satisfy human needs, but it's actually people working within manufacturing, services and merchandising organizations who make the best use of all material resources by using their skills, knowledge, expertise, competencies and abilities, in order to convert these resources into the demanded consumable products and services that eventually satisfy the desires of the society.
14. Rohan and Mohanty (2012) support that existing state of affairs in the business world is based on brutal competition, cultural capitalism, emerging global trends and high tech economic developments. the employee performance which fundamentally progresses through training.



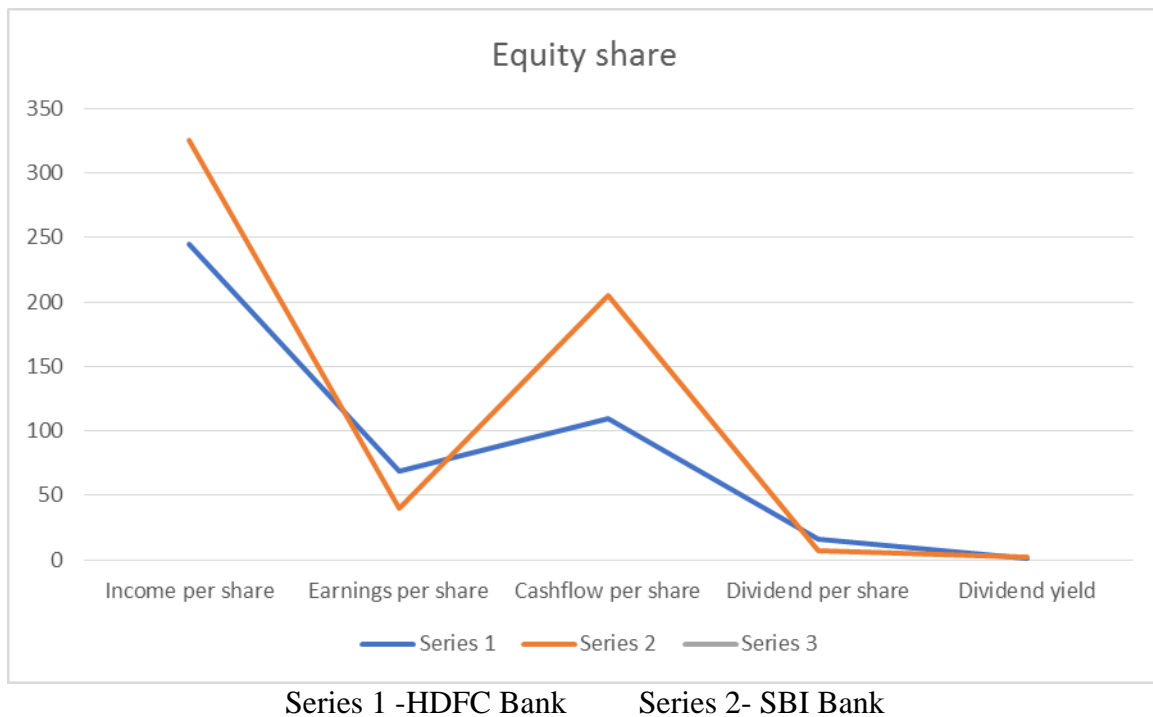
15. James and Lucky (2016) has cited that employee training is distributed into two approaches: On-the-job training and Off-the-job training. On-the-job training refers to training which is given to the employee within the practical work settings and during the physical job environment. On the other hand, off-the-job also termed as formal training, is usually given to the employee at a place away from practical work environment.

Table 1: Comparison of SBI &HDFC equity share data as on March 2022

	HDFC	SBI	HDFC/SBI
Income per share	245.1	324.9	75.4%
Earnings per share	68.6	39.6	173%
Cash flow per share	109.0	205.1	53.11%
Dividend per share	15.50	7.10	218.3%
Dividend yield	1.0	1.6	63.0%

Source: Annual Reports of SBI and HDFC bank

An equity share, normally known as ordinary share is a **part ownership where each member is a fractional owner and initiates the maximum entrepreneurial liability related to a trading concern.** The above table represents the equity share of SBI and HDFC Bank in the year 2022. It is clear that income per share and Cash flow per share of SBI Bank is more than the HDFC Bank. Earnings per share and dividend per share of HDFC Bank is more than the SBI Bank. More over SBI Bank Dividend yield is higher when compare to HDFC Bank.





The following table 2 shows the summary of STATE BANK OF INDIA balance sheet during financial year 2017-18 to 2021-2022
Capital & Liabilities

Rs in crore	FY 2017-18	FY2018-19	FY2019-20	FY2020-21	FY2021-22
Capital	892	892	892	892	892
Reserves Surplus	218,236	220,021	231,115	252,983	279,196
Deposits	2,706,343	2,911,386	3,241,621	3,681,277	4,051,534
Borrowings	362,142	403,017	314,656	417,298	426,043
Other Liabilities & Provisions	167,138	145,597	163,110	181,980	229,932
TOTAL LIABILITIES	3,454,752	3,680,914	3,951,394	4,534,430	4,987,597

Assets

Rs in crore	FY 2017-18	FY2018-19	FY2019-20	FY2020-21	FY2021-22
Cash & Bank Balances with Reserve Bank of India	150,397	176,932	166,736	213,202	257,859
Balances with banks and money at call & short notice	41,501	45,558	84,361	129,837	136,693
Investments	1,060,987	967,022	1,046,955	1,351,705	1,481,445
Advances	1,934,880	2,185,877	2,325,290	2,449,498	2,733,967
Fixed Assets	39,992	39,198	38,439	38,419	37,708
Other Assets	226,994	266,328	289,614	351,769	339,925
TOTAL ASSETS	3,454,752	3,680,914	3,951,394	4,534,430	4,987,597

Source: Annual Reports of SBI Bank

The following Table 3 represents the summary 5 years balance sheet of HDFC during financial year 2017-2018 to 2021-2022

Sources of Funds

Rs in crores	FY2017-18	FY2018-19	FY2019-20	FY2020-21	FY2021-22
Capital	554.55	551.38	548.33	544.66	519.02
Reserves Total	2,39,538.38	2,03,169.55	1,70,437.70	1,48,661.69	1,05,775.98
Deposits	15,59,217.44	13,350,60.22	11,47,502.29	9,23,140.93	7,88,770.64
Borrowings	1,84,817.21	1,35,487.32	1,44,628.54	1,17,085.12	1,23,104.97



Other Liabilities & Provisions	84,407.46	72,602.15	67,394.40	55,108.29	45,817.45
Total Liabilities	20,68,535.04	17,46,870.52	15,30,511.26	12,44,540.69	10,63,988.06

Application of Funds

Rs. In crores	FY2017-18	FY2018-19	FY2019-20	FY2020-21	FY2021-22
Cash & Balances with RBI	12,99,950.64	97,340.73	72,205.12	46,763.62	1,04,670.47
Balances with Bank	22,331.29	22,129.66	14,413.60	34,584.02	18,244.61
Investments	45,535.69	4,43,728.29	3,91,862.66	2,93,116.07	2,42,200.24
Advances	13,68,820.93	11,32,836.63	9,93,702.88	8,19,401.22	65,83,333.09
Fixed Assets	6,083.67	4,909.32	4,431.92	4,030.00	3,607.20
Other Assets	85,767.83	45,925.89	53,931.09	46,645.76	36,932.43
Total Assets	20,68,535.05	17,46,870.52	15,30,511.27	12,44,540.69	10,63,988.04

Source: Annual reports of HDFC Bank

Balance sheet is a financial statement that reports a company's assets, liabilities and share holder equity. The balance sheet is one of the three core financial statements that are used to evaluate a financial position of business. Above two tables 2 and 3 represents the 5 years balance sheet of both SBI and HDFC Bank. It is find out that capital, Reserves other liabilities, cash and bank balance investment , fixed assets and other assets are more in SBI when compare to HDFC Bank. Only Deposits and borrowings, Advances are more in HDFC Bank when compare to SBI Bank.

Finally overall financial position of SBI is better and good than that of HDFC Bank.

Conclusion

The study started from highlighting the importance of Training & Development for business in the present day. It was being evidenced through previous researches that training the workforce is inevitable for all the organizations keeping aside their size, scope, and geographical boundaries. This is much due to the increased need for innovation and increase expectations from the customers. The Globalization and industrial revolution have initiated a war of competition among the corporate players. Most of the companies have added the Training & Development into their philosophy for translating their mission and vision into reality.



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