

## **Enhancing Effectiveness of Employees through Training and Development Practices: A Study with Reference to Co-operative Banks**

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### **ABSTRACT**

*Organisation believe that training and development act as a competitive advantage for increasing performance and productivity. Employees are the vital asset and key element of gaining competitive advantage of any organization. Organizations are facing increased competition resulting from changes in technology, economic environments, globalization etc. The main objective of this study is to examine the satisfaction of employees towards training and development practices and effectiveness of training and development on employees performance in Co-operative banks in kerala. The data was collected from employees of co-operative banks through well structured questionnaires which contains closed end question. The present study helps to ascertain the effectiveness of training and development practices of Co-operative banks in kerala.*

**Keywords:** Training, Development, Satisfaction, Effectiveness, Employee performance. Organisation.

### **INTRODUCTION:**

To survive in the competitive environment, organizations need to constantly develop the knowledge, skill and ability of their human resources throughout the year. Nowadays most of the organization found out the importance of human capital and concentrate on development of goals to achieve the objectives of the organization. Nowadays most of the organization realized the significance of training and invest more on it. Training and development is one of the sub-systems of Human Resource Development. Now it has become one of the core function of service industry like banking . Indian banking is undergoing a sea change during the last one decade and all banks are competing each other to attain the market share. But co-operative banks are exception to this. Eventhough they are introducing new innovative strategies and Co-operative banks are providing training programmes to the employees to cope with the competitive environment these are not enough to compete with others. For organizational development providing training is very important and there has been a growing needs to determine the efficiency and effectiveness of training of Co-operative banks for improvement. The skill that an employee develops through training and development is an asset to the organization. Dynamic employees are essential for any organization that would like to be dynamic and growth oriented. (Rao 1997).

### **REVIEW OF LITERATURE:**

S.P. Depikaa (2016) examined the effectiveness of training programs adopted in selected IT industries. She found out that most of the employees are satisfied with the training program which are found to be effective and credible which can be improved further .She commented that employees feedback should be regularly obtained in order to understand the effectiveness of training program and the organization should also concentrate on employees who are not satisfied with the present training program.

Vasuda Vasakarla & Prof. Murali Krishna Panatula (2016) stressed that the training programs should be imparted for the development of an organization. Effective training programs should be designed at different levels of the organization. Evaluation and feedback stand for the authorization of the training programs. Regular evaluation

should be done and training needs and objectives be reviewed regularly based on the feedback by trainees and trainers. The study concluded that productivity of an organization depends upon the effectiveness of training and banks should understand the importance of it.

Dr. V. Antony Joe Raja and et al (2016) recommended that organisation has to make sure that its employees are well trained, technically, mechanically as well as in other aspects also. They suggested that there should be a discussion among the employers and management and training should be planned before conducting the training programme.

Suhasini,&Dr T Suganthalakshmi (2015) pointed out a clarification that Corporate training is undergoing transformation due to the rapid changing technology. According to him the new trends in the corporate world promote higher level of organizational effectiveness. Those organizations wish to retain skilled employees need to go for ongoing development. The study surrounded the current and expected future training trends.

Dr. B. Nagaraju & Archana M (2015) stressed that one of the greatest challenges faced by managers is the strategic personal development of their employee to ensure effective use of their talent. So for managing the vital resource, the managers must identify their challenges and implement training and development Programmes. They found that training and development increases job satisfaction and Job satisfaction is a key indicator of success.

AbhayKorde and KavitaLaghate (2015) in their study focuses on impact of training on the performance of two Public Sector Banks. They commented that it is required to place the training and development at the mind of the business strategy, so as to enable the banks to build its competence as a domestic and internal player. They stated that those bank who have invested more in training is able to perform better than the bank who invests less.

Swapna (2015) made a study on the Human resource management practices in Kerala State Road Transport Corporation. The study was also conducted to know the training practices in KSRTC and its influence on the performance of employees. The study reveals that KSRTC provides various training sessions to all categories of employees and they are of the view that training helps to improve quality.

#### **STATEMENT OF THE PROBLEM:**

As we live in an information age ,organization are valued on the basis of intellectual capital. Training and development is one of the methods of improving intellectual capital. The success or failure of an organization depends upon the skills of the employees. Since globalization a lot of changes have been taken place in the banking industry. Training, an important part of employee development contributes for organizational development. Due to the changes taking place in information technology training has become the fundamental functions for the development of human resources. The key to success of any individual is learning through training. As training improves the productivity and effectiveness of the organization, it is essential to know the training and development programs adopted by district Co-operative banks.

#### **SIGNIFICANCE OF THE STUDY:**

Training and development is one of the sub-systems of Human Resource Development. Training becomes inevitable the moment an organization realizes the need for improvement and expansion in the job. An organisation which aspires to grow must be in tune with the changing needs of the society. Training becomes relevant in the context since it is only through training that the gap between performance of the organisation and the felt need of a changing society can be neutralised. Nowadays most successful companies realize that their employees are their greatest asset. So organisations are increasingly investing in training their employees so that they can learn, grow and change according to the dynamic environment.

#### **OBJECTIVES:**

- To evaluate the effectiveness of training and development programs in Co-operative banks.
- To know the satisfaction level of employees towards training and development programs in Co-operative banks.

#### **HYPOTHESIS:**

- $H_0$ : There are no significant differences in satisfaction levels of specified areas of training between designations of trainees.
- $H_0$ -There is no significant differences in satisfaction towards trainers across categories of designations.

**RESEARCH METHODOLOGY:**

The data collection for the study include both primary and secondary data. Primary data has been collected from 449 sample respondents through structured questionnaire filled by the bank employees. A sample of 449employees helped to analyze their satisfaction level and helped to know the effectiveness of training. The source of secondary data was annual reports of banks, reports of training institute etc.

**Table 1: Satisfaction towards areas of training**

	Number of Levels in Category	N	Observed J-T Statistic	Mean J-T Statistic	Std. Deviation of J-T Statistic	Std. J-T Statistic <sup>a</sup>
Cooperative principles	2	380	8664	15925.5	555.858	-13.064
Co-operative Governance	2	380	4488	6486.0	256.038	-7.804
Service matters	3	449	16180	27960.0	829.521	-14.201
Customer service	1	69	58	69.0	18.036	-0.61
Customer Relationship Management	2	380	8664	15925.5	555.658	-13.068
Team building	1	110	1206	1345.5	56.920	-2.451
Liquidity Management	1	110	1311	1345.5	25.937	-1.33
Stress Management	1	110	793.5	1345.5	96.203	-5.738
Time Management	1	110	448.5	1345.5	116.560	-7.696
Leadership Development	1	110	569.5	1345.5	113.265	-6.851
Banking Awareness	3	449	14829.5	27960.0	871.956	-15.059
Cash Management	1	127	1540	2001.0	118.871	-3.878
Fake note awareness	1	127	1708	2001.0	96.438	-3.038
Risk Management	1	110	957	1345.5	88.248	-4.402
Computer Awareness	1	110	448.5	1345.5	138.481	-6.477
Communication Skill	1	69	60	138.0	25.658	-3.04
Tax matters	1	110	1072	1345.5	74.896	-3.652
Financial sector reforms	1	143	2553	2622.0	51.027	-1.352

<sup>a</sup> Jonckheere-Terpstra Test - Grouping Variable: Category of Designation

The sample size (N) varies since each area of training was provided to selected people from different categories of trainees. Though certain trainings were meant for a particular category of employees, a selected group from other categories were assigned to attend that area of training. A negative standardised test statistics in all the cases indicate a decreasing monotonic trend, which in this case may be interpreted as lower levels of satisfaction as we move from sub-staff to ministerial and supervisory staff, since satisfaction levels has been coded 5 to 1 from very high to very low. This difference in satisfaction levels was more prominent in the cases of service matters and banking awareness where all the respondents have participated, with the sub-staff having higher levels of satisfaction than ministerial and supervisory staff.

H<sub>0</sub>: There are no significant differences in satisfaction levels of specified areas of training between designations of trainees.

In all the areas of training except customer service, liquidity management and financial sector reforms, the null hypothesis had to be rejected at 5 per cent significance level since significance of 1-sided asymptotic tests showed a probability of less than 0.05.

**Table 2: Satisfaction towards trainers based on designation**

Quality of Trainers		Mean	SD	N	F	p
Trainers knowledge about the subject	Sub Staff	76.6	7.6	69	3.31	<b>0.037</b>
	Ministerial Staff	74	9.3	270		
	Supervisory Staff	73	10	110		
Trainers ability to use method of training	Sub Staff	74.1	7.5	69	1.89	0.152
	Ministerial Staff	72.3	9	270		
	Supervisory Staff	71.5	9.8	110		

Quality of Trainers		Mean	SD	N	F	p
Trainers allowed for two way communication	Sub Staff	64.9	8.2	69	1.03	0.358
	Ministerial Staff	65.6	10	270		
	Supervisory Staff	64	10	110		
Trainers communication skill	Sub Staff	73.3	7.5	69	1.2	0.301
	Ministerial Staff	72.3	8.8	270		
	Supervisory Staff	71.2	9.2	110		
Trainers inter (Personal Skill)	Sub Staff	73.9	8.3	69	3.2	<b>0.042</b>
	Ministerial Staff	72.7	8.4	270		
	Supervisory Staff	70.6	11	110		
Trainers were well prepared	Sub Staff	77.2	7.6	69	0.36	0.697
	Ministerial Staff	76.6	8.7	270		
	Supervisory Staff	76.1	10	110		
Trainers specifies the goals of training at the beginning of each session	Sub Staff	66.3	7.8	69	0.36	0.701
	Ministerial Staff	67.8	40	270		
	Supervisory Staff	64.8	10	110		
Trainer effectively motivates the trainees to succeed the training programme	Sub Staff	67	7.8	69	0.35	0.705
	Ministerial Staff	66.7	8.5	270		
	Supervisory Staff	66	9.6	110		

Figures in bold significant at 0.05 level

Source: primary data

The F test was statistically significant only in the cases of trainers’ knowledge about the subject and trainers inter personal skills which indicated that there are significant differences between designations regarding these two qualities. In all the other cases no significant differences could be traced between categories of designations. The following null hypothesis was tested using F statistics of ANOVA.

H<sub>0</sub>- There is no significant differences in satisfaction towards trainers across categories of age groups. The greater than 0.05 probabilities of F statistics fail to reject the null hypothesis in all the cases except trainers knowledge about the subject and trainers interpersonal skill. It is inferred that no significant differences exist between designation regarding satisfaction in any of the attributes of quality of trainers.

Table 3: Improvement in various aspects

Aspects	Increased greatly	Slight change	No change	Total
Self confidence	229 (51)	216 (48.1)	4 (0.9)	449 (100)
Problem solving skill	162 (36.1)	286 (63.7)	1 (0.2)	449 (100)
Computer knowledge	3 (0.7)	105 (23.4)	341 (75.9)	449 (100)
Better Customer service	341 (75.9)	104 (23.2)	4 (0.9)	449 (100)
Taking higher responsibilities	223 (49.7)	222 (49.4)	4 (0.9)	449 (100)
Promotional opportunities	10 (2.2)	140 (31.2)	299 (66.6)	449 (100)
Knowledge updation	218 (48.6)	227 (50.6)	4 (0.9)	449 (100)
Positive attitude	283 (63)	166 (37)	0 (0)	449 (100)
Good behaviour	286 (63.7)	162 (36.1)	1 (0.2)	449 (100)
Job satisfaction	20 (4.5)	233 (51.9)	196 (43.7)	449 (100)
Decision making capacity	99 (22)	346 (77.1)	4 (0.9)	449 (100)
Human skill	98 (21.8)	348 (77.5)	3 (0.7)	449 (100)

Figures in parenthesis indicate percentages

Source: primary data

Majority of the participants felt that there was great increase in self confidence after the training while 48 per cent feels that there is only a slight change in self confidence. It was noteworthy that the training had not affected any change in computer knowledge and promotional opportunities as is obvious from the responses of a high majority (76 per cent) and (66.6 per cent) of respondents respectively. Majority of the respondents found slight change in problem solving skills (63.7per cent), knowledge updation (50.6per cent), job satisfaction (51.9 per cent),decision making capacity(77.1per cent)and human skill(77.5per cent).

## **SUGGESTIONS & RECOMMENDATIONS:**

- Top management should include classes on stress management and time management on all categories of bank employee because of the powerful competition faced by the bank.
- The training institutes are not allotting time to new areas of training to compete in the competitive world. New areas of training should be introduced because Co-operative banks depends upon the old syllabus.
- The Co-operative banks must take further steps in bringing out the importance of the training programs as it is the first step to productivity and brings organization effectiveness.
- Trainers should specify the goals of training at the beginning of the session to make training program effective.

## **CONCLUSION:**

Since employees are the backbone of the organization they should be provided appropriate training program for their future growth. So the top management of Co-operative banks must concentrate more on training and development practices and they should consider training as an innovative strategy. Training plays a central role in nurturing and strengthening these competencies, and in this way has become part of the backbone of strategy implementation. Training helps to groom the employees to become multi-fledged personalities to shoulder any responsibilities in the changing environment. Co-operative banks can no longer refrain from providing adequate training to employees.

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