



Sampreshan

UGC CARE GROUP 1

ISSN: 2347-2979

<https://sampreshan.info/>

Vol. 17, Issue No. 1, March 2024

**Examining the Variables Impacting the Efficiency of Methods and Resources Utilized
by Banks in Identifying Training Requirements**

Dr. Jaspreet Kaur, Assistant Professor, Department of Commerce & Management,

Sri Aurobindo College of Commerce and Management, Ludhiana, Punjab, India,

jaspreetkauralag1176@gmail.com, Mob No 9915509226



Sampreshan

UGC CARE GROUP 1

ISSN: 2347-2979

<https://sampreshan.info/>

Vol. 17, Issue No. 1, March 2024

**Examining the Variables Impacting the Efficiency of Methods and Resources Utilized
by Banks in Identifying Training Requirements**

Abstract

Training involves enhancing employees' knowledge and skills for specific tasks, thereby boosting organizational effectiveness. In today's fiercely competitive global business landscape, training and development are pivotal for effective human resource management. Organizations must design training policies and programs and continually train their workforce. An effective training system comprises processes that convert organizational inputs into outputs aligned with organizational requirements. This paper aims to analyse trainees' perspectives on the effectiveness of methods and resources used in Commercial Banks for identifying training needs.

Keywords: Commercial banks, Effectiveness, Human Resource, Training and Development, Training Needs.



Examining the Variables Impacting the Efficiency of Methods and Resources Utilized by Banks in Identifying Training Requirements

Introduction

Training is the process of enhancing employees' knowledge and skills for specific tasks, ultimately enhancing organizational effectiveness. It stands as a vital strategy for organizations to meet future challenges. In today's fiercely competitive global business environment, organizations must develop training policies and programs to continually enhance their human resources. An effective training system consists of processes that align organizational inputs with outputs that fulfil organizational needs. It goes beyond merely conducting training programs; instead, it involves integrated processes that analyse and address both organizational and employee needs strategically. This approach not only enhances organizational performance but also increases the value of the training unit, leading to further investment in training.

A training policy serves as the organizational vision for training, guiding the development of short-term and long-term training strategies to achieve organizational objectives. It provides a roadmap for training initiatives, considering internal and external organizational dynamics, resources, and constraints. Key issues addressed by training policy include whom to train, when to train, how to train, and the roles and responsibilities of various stakeholders. To design training programs aligned with business needs, systematic identification of training needs is essential.

This study aims to evaluate the effectiveness of training programs in commercial banks and assess trainees' opinions on the effectiveness of methods and sources used in identifying training needs within these banks.

I. Literature Review

Khandelwal (2005) emphasized in the paper that banks face the challenge not only of cultivating employees with diverse skills and capabilities but also of continuously reskilling them. While skill development is imperative across all levels, it becomes particularly crucial due to the unskilled nature and limited perspective of front-line staff in public sector banks regarding their roles and customer interactions.

The author identified several factors influencing performance in the banking sector, listing nine key factors: initiative and resourcefulness, assertiveness, courage, sincerity of purpose, courtesy, common sense,



communication skills, clarity of role, analytical skills, decision-making ability, and alertness of mind. Many of these factors directly correlate with training and development activities.

Kumari and Mishra (2009) investigated that the globalization process necessitates the implementation of Human Resource Development (HRD) interventions such as T-group, process consultation, third-party intervention, team building, education and training, coaching, and counselling. These interventions are instrumental in fostering work values and practices within an organization. Consequently, they contribute to enhancing organizational effectiveness and productivity, thereby facilitating smooth and problem-free organizational change.

Babaita (2010) analysed whether productivity was the primary factor driving investment in training and management development within the banking industry in Nigeria. Conducted in 2007, the research focused on 25 commercial banks in the country. These banks were stratified into two categories: old and new generation banks, with four banks selected from each group. The findings of the study confirmed that productivity indeed served as the main motivator for investing in training and management development initiatives. Consequently, the research underscored the importance of training in nurturing the skills and competencies of managers, senior executives, and all employees within the banking sector. Furthermore, the author emphasized the need for training programs to be based on thorough analysis to ensure their effectiveness and efficiency. This recommendation highlights the significance of aligning training initiatives with the specific needs and objectives of the organization, ultimately contributing to improved performance and productivity.

Mahmood (2011) had indicated out that training has become increasingly essential in today's workforce, serving as a potent tool for developing skills and managerial attributes among employees. Particularly in the banking sector, training and development programs have become a regular feature. This study aimed to create a reliable and valid scale to measure bank employees' perceptions of training programs and their characteristics within the banking sector. Data collected from a sample of 600 employees resulted in a 17-item scale, with a Cronbach's alpha value of 0.78 and subscale reliabilities ranging from 0.79 to 0.74.

The validated instrument, based on construct validity, consists of five dimensions: critical appreciation, soft issues, key outcomes, necessary suggestions, and timing aspect. By providing insights into what bank employees seek from training programs, this paper contributes to the field of management, particularly within the banking sector, and offers implications for management practices.



Nath (2011) revealed in the study that training positively influences employees' attitudes. This is attributed to their perception that training benefits them personally, leading them to contribute more towards the organization's success. Furthermore, the author noted that when the content and subject matter of training align with employees' interests, they find the programs more engaging and are motivated to work more enthusiastically for the organization's benefit. Additionally, employees prefer training programs that are tailored specifically to the tasks they are expected to perform.

Ramakrishna et al. (2012) highlighted the crucial role of Human Resource Development (HRD) in enhancing employees' knowledge and skills to effectively tackle business challenges. In the banking sector, the implementation of plans, policies, and strategies requires utmost competence and effectiveness, beyond mere design. The study, based on a sample of 85 employees from Canara Bank branches in Kurnool District, concluded that employees who participated in more training and development programs recognized the necessity of regular training for their own growth as well as for the advancement of the banks. Furthermore, a significant number of respondents rated the trainer's preparation as satisfactory, and overall, respondents provided positive ratings for the training and development programs in the bank.

Kaur J. (2016) emphasized the significance of manpower training and development as a crucial aspect of human resources management, necessitating proactive or reactive initiatives to adapt to changes over time. Training is viewed as an ongoing and perpetual endeavor, furnishing employees with the necessary knowledge and skills to enhance their performance. Consequently, both private and public Indian banks conduct training and development programs to bolster employee efficiency. These initiatives aim to equip employees with the competencies required to meet customer expectations. The growth of the banking sector in India is attributed to the presence of skilled manpower, a direct outcome of training and development efforts.

II. Objective of the study: Examining the efficiency of methods and resources utilized by banks to identify training requirements.

III. Methodology



The research investigates the perspectives of trainees concerning different methods and sources employed by banks in identifying training needs. The study focuses on training programs offered by specific banks in the Punjab region, namely, State Bank of India, Punjab National Bank, Punjab and Sind Bank, Bank of Baroda, HDFC Bank, ICICI Bank, Axis Bank, and YES Bank. A sample of 200 participants from both public and private sector banks was selected for the study. Primary data was gathered through a survey conducted at various branches of the chosen banks. A structured questionnaire, encompassing diverse aspects of training programs, was utilized to collect data from bank personnel. Statistical methods such as t-test, factor analysis, and Karl Pearson’s coefficient of correlation were employed to analyse the data. Likert scale attributes were converted into parametric form by assigning weights based on their significance.

IV. Results and Discussion

A. Level of Consensus Regarding Methods and Sources Employed for Identifying Training Needs in Banks

Table I

Level of Consensus Regarding Methods and Sources Employed for Identifying Training Needs in Banks

S.No.	Statements	Public Sector		Private Sector		t-value
		Mean	SD	Mean	SD	
S1	Appraisals (By self, peer or co – workers, superiors and by experts).	3.72	0.87	3.68	0.84	0.47
S2	Demands due to the latest trends in banking like fast changes in products and systems in the banking field.	4.06	0.79	3.81	0.81	3.12**
S3	Customer complaints survey.	3.55	0.98	3.74	0.87	2.06*
S4	Technical study, skill	3.78	0.86	3.74	0.81	0.48



	analysis, competency mapping.					
S5	Opinions of external and internal experts.	3.93	0.83	3.74	0.82	2.31*
S6	Personal development plans.	4.01	0.94	3.77	0.86	2.66**
S7	Based on job related problems.	3.95	0.87	3.69	0.88	3.04**
S8	Based on employee suggestions.	3.86	0.80	3.62	0.91	2.74**
S9	Based on the training programs provided by other banks.	3.58	0.99	3.53	0.91	0.53
S10	Based on supervisory recommendations.	3.97	0.84	3.94	0.73	0.38
	F-ratio	8.10**		3.30**		
	Post Hoc Test	1 vs 2	3 vs 7	2 vs 9		
	Tukey's HSD	1 vs 6	3 vs 8	8 vs 10		
	Multiple Comparisons	2 vs 3	3 vs 10	9 vs 10		
		2 vs 4	5 vs 9			
		2 vs 9	6 vs 9			
		3 vs 5	7 vs 9			
		3 vs 6	9 vs 10			

* Significant at 5% level

**Significant at 1% level



The analysis presented in Table 1 indicated a nearly identical level of agreement among both public sector and private sector bank officials regarding the methods and sources utilized for identifying training needs within banks. These methods and sources encompass Appraisals (By self, peer or co-workers, superiors and by experts) (S1), Demands due to the latest trends in banking like fast changes in products and systems in the banking field. (S2), Customer complaints survey (S3), technical study, skill analysis, competency mapping (S4), Opinions of external and internal experts (S5), Personal development plans (S6), based on job related problems (S7), Based on employee suggestions (S8), Based on the training programs provided by other banks. (S9), Based on supervisory recommendations. (S10). The respondents were asked to register their opinion in terms of agreement on a 5-point Likert scale.

In public sector banks, the highest level of agreement reached 4.06 on the method of 'demands due to the latest trends in banking like fast changes in products and systems in the banking field', followed closely by 'personal development plans' at 4.01. Conversely, the lowest level of agreement was recorded at 3.55 for 'customer complaint survey', followed by 'employee suggestions' at 3.58.

In private sector banks, the highest level of agreement was 3.94 on 'supervisory recommendations', closely followed by 'demand due to the latest trends in banking' at 3.81. Conversely, the lowest level of agreement was found to be 3.53 on 'the training programs provided by other banks', followed by 3.62 on 'employee suggestions'.

In comparison, public sector banks exhibited significantly higher agreement levels on 'demand due to the latest trends in banking', 'opinion of external and internal experts', 'personal development plans', 'job-related problems', and 'employee suggestions' than private sector banks. Conversely, the level of agreement on 'customer complaint survey' was notably higher in private sector banks compared to public sector banks.

The analysis indicated that methods such as the demand due to the latest trends in banking, opinions of external and internal experts, personal development plans, etc., held greater significance in public sector banks compared to private sector banks.

B. Factor analysis was conducted on statements concerning the methods and sources employed by banks for identifying training needs. This analysis aimed to uncover underlying patterns or



themes within these statements, shedding light on the key factors influencing training needs identification in banks.

B1. Factor Analysis of Statements Regarding Methods and Sources Used in Public Sector Banks for Identifying Training Needs

Table II (a)

Factor analysis of statements regarding methods/ sources used in public sector banks for identifying training needs.

S.No.	Statements	Rotated Component Matrix			Communalities
S1	Appraisals (By self, peer or co –workers, superiors and by experts).	0.635	0.353	0.128	0.53
S2	Demands due to the latest trends in banking like fast changes in products and systems in the banking field.	0.174	0.689	0.157	0.51
S3	Customer complaints survey.	0.100	0.873	0.243	0.77
S4	Technical study, skill analysis, competency mapping.	0.248	0.154	0.770	0.65
S5	Opinions of external and internal experts.	0.617	0.325	0.171	0.49
S6	Personal development	0.271	0.179	0.683	0.50



	plans.				
S7	Based on job related problems.	0.129	-0.066	0.773	0.60
S8	Based on employee suggestions.	0.678	0.214	0.321	0.51
S9	Based on the training programs provided by other banks.	0.157	0.529	0.212	0.39
S10	Based on supervisory recommendations.	0.679	0.178	0.198	0.49
	Eigen Value	3.32	1.84	1.23	
	Variance (%)	33.17	18.39	12.34	
	Cumulative Variance	33.17	51.56	63.90	
	KMO MSA	0.852			
	Bartlett's Test of Sphericity	654.32			

Table II (b)

Contents emerged out of factors

Factor No.	Factor Content
Factor 1	Assessment Method
Factor 2	Market Orientation
Factor 3	Job Content



Upon examining Table 2 (a) and Table 2 (b), it was evident that the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO-MSA) yielded a high value of 0.852, and Bartlett's Test of sphericity resulted in a significantly high statistic of 654.32. Additionally, communalities were notably high, indicating the dataset's suitability for factor analysis. Three distinct factors emerged from the 10 methods/sources utilized for identifying training needs. The most prominent factor was labelled "Assessment Method," comprising four methods and explaining 33.17% of the variance. These methods included 'appraisals (by self, peer, or co-workers, superiors, and experts)', 'opinions of external and internal experts', 'employee suggestions', and 'supervisory recommendations'.

The second factor identified was labelled 'Market Orientation,' comprising three statements: 'demands due to the latest trends in banking like fast changes in products and systems in the banking field', 'customer complaints survey', and 'the training programs provided by other banks'. Together, these statements accounted for 18.39% of the variance in respondents' opinions.

The third factor that emerged was 'Job Content', consisting of three statements: 'technical study, skill analysis, competency mapping', 'personal development plans', and 'job related problems'. These statements explained 12.34% of the variance.

Overall, the three factors, namely 'Assessment Method', 'Market Orientation', and 'Job Content', collectively accounted for 63.90% of the variance in public sector banks.

B2. Factor Analysis of Statements Regarding Methods and Sources Used in Private Sector Banks for Identifying Training Needs

Table III (a)

Factor analysis of statements regarding methods and sources used in private sector banks for identifying training needs.

S.No.	Statements	Rotated Component Matrix			Communalities
S1	Appraisals (By self, peer or co –workers, superiors	0.584	0.384	0.143	0.27



	and by experts).				
S2	Demands due to the latest trends in banking like fast changes in products and systems in the banking field.	0.117	0.552	0.215	0.51
S3	Customer complaints survey.	0.213	0.820	0.309	0.67
S4	Technical study, skill analysis, competency mapping.	0.262	0.154	0.729	0.56
S5	Opinions of external and internal experts.	0.558	0.452	0.171	0.52
S6	Personal development plans.	0.137	0.436	0.569	0.51
S7	Based on job related problems.	0.374	0.153	0.533	0.42
S8	Based on employee suggestions.	0.578	0.312	0.197	0.53
S9	Based on the training programs provided by other banks.	0.191	0.685	0.237	0.51
S10	Based on supervisory recommendations.	0.773	0.188	0.267	0.61



	Eigen Value	3.23	1.84	1.52	
	Variance (%)	32.34	18.37	15.23	
	Cumulative Variance	32.34	50.71	65.94	
	KMO MSA	0.842			
	Bartlett's Test of Sphericity	554.18			

Table III (b)

Contents emerged out of factors.

Factor No.	Factor Content
Factor 1	Assessment Method
Factor 2	Market Orientation
Factor 3	Job Content

The analysis presented in Table 3 (a) and Table 3 (b) revealed the emergence of three factors within private sector banks, mirroring those observed in public sector banks. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO-MSA) yielded a value of 0.842, and Bartlett's Test of Sphericity resulted in a statistic of 554.18, indicating the reliability of the data for factor analysis. Communalities ranged from 0.42 to 0.67, further affirming the suitability of the dataset.

The most significant factor identified was 'Assessment Method,' comprising four statements: 'appraisals (by self, peer, or co-workers, superiors, and experts)', 'opinions of external and internal experts', 'employee suggestions', and 'supervisory recommendations'. This factor explained 32.34% of the variance in the opinions of bank officials regarding methods and sources.



The second important factor was termed 'Market Orientation,' consisting of three statements and explaining 18.37% of the variance. This factor included 'demands due to the latest trends in banking', 'customer complaint survey', and 'training programs provided by other banks'.

The third factor that emerged was 'Job Content,' comprising three statements and explaining 15.23% of the variance. Overall, the three factors collectively explained 65.94% of the variance.

The analysis revealed a similar pattern of importance for different factors as observed in public sector banks. This underscores the significance of 'Assessment Methods' as the most effective approach for identifying training needs among bank officials in both sectors.

V. Conclusion

While the methods or sources employed by banks for identifying training needs among employees remain consistent across both sectors, the favourability towards these methods varies significantly. Analysis also indicated notable disparities in the level of agreement regarding certain methods between public and private sector banks.

Specifically, the level of agreement on 'demand due to the latest trends in banking', 'opinion of external and internal experts', 'personal development plans', 'job related problems', and 'employee suggestions' was notably higher in public sector banks compared to private sector banks. Conversely, the level of agreement on 'customer complaint survey' was significantly higher in private sector banks compared to public sector banks.

References

- Babaita, I.S. (2010), "Productivity as a Driving Force for Investment in Training and Management Development in the Banking Industry", *European Journal of Social Sciences*, Vol. 13, No. 2
- Kaur, J. (2016), "Impact of training and development programmes on the productivity of employees in the banks". *Journal of Strategic Human Resource Management*, 5(1), 47-53.
<https://doi.org/10.21863/jshrm/2016.5.1.023>



- Khandelwal, A. K. (2005), “Criticality of HR Reforms for Public Sector Banks in the New Era”, *Economic and Political Weekly*, Vol. 40, No. 12, Money, Banking and Finance (Mar.19-25, 2005), pp.1128-1135, www.jstor.org/stable/4416360, accessed on 12-10-2010.
- Kumari, P., Mishra, R., (2009), “Implementing Human Resource Development as a tool for Effective Organizational Change”, All India Management Association, New Delhi, <http://ssrn.com/abstract=1437844>, assessed on 15/03/10.
- Mahmood, A. (2011), “A Study on Training and Development Programmes in Banking Sector— The Perspective of Bank Employees”, Eighth AIMS International Conference on Management January 1-4, 2011.
- Nath, C.K., (2011), “Impact of Training Programmes in HRD Activities in PSU”, *Indian Management Studies Journal*, Vol.15, pp. 93 -105
- Ramakrishna, G.; Kameswari; Kumar, M.G.; Krishnu, CH.; (2012), “Effectiveness of Training and Development Programmes – A Case Study of Canara Bank Employees in Kurnool District”, *International journal of Multidisciplinary Research*, Vol.2, Issue 4, pp. 149 - 162.