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**IMPACT OF TRAINING AND DEVELOPMENT ON EMPLOYEE PERFORMANCE AND  
PRODUCTIVITY WITH REFERENCE TO INDIAN BANKING SECTORS**

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**ABSTRACT**

Human resources are the intellectual property of the firm, employees prove to be a good source of gaining competitive advantage, and training is the only way of developing organizational intellectual property through building employees competencies (Houger, 2006).

In this competitive world, where nothing is static, every day an innovation comes into the market. This made the organization to be dynamic in their business process and keep on implementing the changes so that they will be competitive in the market. But how can you be competitive and win in the market? It's your employees, who will help you to be competitive in the market. The business owner or HR manager must needs be active and look out for the various strategies which help the organization to grow in the future. This piece of work was carried out at HDFC BANK, Meerut with the various departments such as the account relation office, the cashier teller, the branch manager, the internal control, branch operator supervisor and the customer service. The sample size chosen by the researcher was 40 out of 60. some organizations do not seem to care about improving the capacity of their workers; they instead frown at and punish any weaknesses of workers. Using the HDFC, Meerut branch, the researcher got information from 40 respondents, through questionnaires, interviews and personal observation. After analyzing the data collected, it became evident that HDFC Meerut carries out training programs on regular basis. On-the-job is also done through supervisory works and updated in meetings.

**KEYWORDS:** Training, Development, Organizational Effectiveness and Organizational Performance.

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**INTRODUCTION**

According to Edwin B. Flippo<sup>2</sup>, "Training is the act of increasing the knowledge and skill of an employee for doing a particular job."

According to Michael J. Jucius<sup>3</sup>, "The term training is used here to indicate only process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased."

Training is the crucial area of human resource management; it is the fastest growing segment of personnel activities. Training which is referred to as a course of diet and exercise for developing the employees' effective, cognitive and psychomotor skills assist the organizations to have a crucial method of developing the employee towards enhancing his productivity (Ezeani & Oladele, 2013). Manpower training and development is one of the most important organizational dynamics. It constitutes the pivot in which organizational survival is run. The training process is one of the most pervasive methods for enhancing the productivity of individuals and communicating organizational goals to personnel (Ekaterini, 2009).<sup>4</sup>

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. (George & Scott, 2012).<sup>5</sup> To run an organization, be it big or small, requires staffing the organization with efficient personnel. Specific job skills, ability, knowledge and competence needed in the workplace are not efficiently taught in the formal education. As such, most employees need extensive training to ensure the necessary SKAC to bring out substantive contribution towards the company's growth. For employees to be flexible and effective

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in their job, they need to acquire and develop knowledge and skill, and for them to believe that they are valued by the organization they work for, then they need to see valuable signs of management commitments to their training needs. Each new employee must be properly trained not only to develop technical skills, but to make them an integral part of the organization. Training and development is an aspect that must be faced by every organization, and its major aim is to improve the employees' competencies such that the organization can maximize effectiveness and efficiency of their human resources. It can be an advantage for an organization if they win the "hearts and minds" of their workers, getting them to identify with the organization (Armstrong, 2009).6

### **OBJECTIVE OF THE STUDY**

The objective of this study is -

1. To observe impact of training and development of employees on the performance.
2. To know how training increases the performance of employees, and the productivity of an organization
3. To find out whether organizations have training and development programme, and if the programmes are conducted for all employees
4. Lastly to identify the weak areas of employee required training to be given to overcome the problems

### **TRAINING PURPOSE, PROCESS AND OUTCOMES**

Cole (2002), mentioned in his book Personnel Human Resource Management, that training is more of a learning activity to acquire better skills and knowledge needed to perform a task. The idea of training is the need for a greater productivity and safety in the operation of specific equipment or the need for an effective sales force, to mention a few. To come up with the desired knowledge, skills and abilities from employees to perform well at their job side, requires proper training programs that may likewise have an impact on employee motivation and commitment. Employees can either build or break their company's reputation as well as profitability. Moreover, they oversee most of the activities which can influence customer fulfillment, the nature of the product and event.

### **WHY TRAINING**

According to G.P. Nunvi (2006), training programs are directed towards maintaining and improving current job performance while development seeks to improve skills for future jobs. Considering the progress in the technology, certain jobs become redundant with the replacement of machines in present days. Further education and competence becomes necessary for those in current positions and those wishing to be promoted in the future. Expressing an understanding of training, Armstrong (1996), emphasized that training should be developed and practiced within the organization by appreciating learning of theories and approaches, if training is to be well understood. 6

### **TRAINING PROCESS**

Training in an organization generally involves a systematic approach, followed by a sequence of activities which to Infande, the process is based on four three to four blocks;

### **IDENTIFYING TRAINING NEEDS**

This analysis is necessary to determine the training needs of the employees or a specific job. What are the practical needs? Why an employee needs training? Every training begins with the need analysis, and establishing a need analysis is and should always be the first step in the training process. (Infande, 2015). There are four procedures that managers can use to determine the training needs of employees in their organizations

1. Job requirements analysis. The skills and knowledge specified in the appropriate job description are examined. The employees without the skills needed are candidates for a training program.

2. Organizational analysis. The effectiveness and successes of an organization are analyzed to determine where differences exist. For instance, members of a department with a high turnover rate or a low performance record might require additional training.
3. Performance appraisals. Here, each employees work is measured against objectives established for his or her job.
4. Human resource survey. Managers as well as non-managers are expected to describe what problems they are experiencing at their workplaces and, what actions they believe can be taken to solve the problems. Immediately the training needs are identified, the human resource department must initiate the appropriate training effort, to close the gap between expected and actual results. This may also depend on circumstances like; developing a training plan, designing a training lesson, selecting trainer and preparing the trainers.

### **TRAINING PLANS AND IMPLEMENTATION**

This area of the training process emphasizes on the— techniques and methods by which training is carried out. The objectives of training, budgets and the duration are allocated.

### **TRAINING EVALUATION AND FEEDBACK**

Often, this turns to be the most critical part of the training process, focusing on the results achieved after training. The main idea is to analyze the effects of training and determine whether the set goals have been achieved. Reactions such as the participant's feedback, trainer's feedback, learning behavior and results of the training are being measured. To measure the impact of training, Kirkpatrick (1959) outlined four levels of evaluation, and each of which is a prerequisite for the next level:

1. Reaction and planned action. These are measured reaction or evaluation of how the employees felt concerning the learning experience.
2. Learning and confidence evaluation. Here is the measurement of the increase in knowledge - before and after training.
3. Behavioral impact. This is the degree of applied learning back at work – are the members really doing anything diverse after the training program than before?
4. Results. It's important to know what results were achieved, in relation to the previous training objectives that were being set. For instance, has there being any decline in the number of costumer's complaints? Reactions, behavior and learning are of great importance, but if the training program cannot produce measurable performance – related results, then it has not achieved its goals accordingly.

**DIFFERENCE BETWEEN TRAINING AND DEVELOPMENT**

Source:

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## THE NEED FOR TRAINING AND DEVELOPMENT

Before we say that technology is responsible for increased need of training inputs to employees, it is important to understand that there are other factors too that contribute to the latter. Training is also necessary for the individual development and progress of the employee, which motivates him to work for a certain organisation apart from just money. We also require training update employees of the market trends, the change in the employment policies and other things.

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

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 organisational change, and the cycle goes on and on.
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 very true for the 21st century. People who work with organisations seek more than just employment out of their work; they look at holistic development of self.

## BENEFITS OF TRAINING AND DEVELOPMENT

**Improved employee performance** – the employee who receives the necessary training is more able to perform in their job. The training will give the employee a greater understanding of their responsibilities within their role, and in turn build their confidence. This confidence will enhance their overall performance and this can only benefit the company. Employees who are competent and on top of changing industry standards help your company hold a position as a leader and strong competitor within the industry.

**Improved employee satisfaction and morale** – the investment in training that a company makes shows employees that they are valued. The training creates a supportive workplace. Employees may gain access to training they wouldn't have otherwise known about or sought out themselves. Employees who feel appreciated and challenged through training opportunities may feel more satisfaction toward their jobs.

**Addressing weaknesses** – Most employees will have some weaknesses in their workplace skills. A training program allows you to strengthen those skills that each employee needs to improve. A development program brings all employees to a higher level so they all have similar skills and knowledge. This helps reduce any weak links within the company who rely heavily on others to complete basic work tasks. Providing the necessary training creates an overall knowledgeable staff with employees who can take over for one another as needed, work on teams or work independently without constant help and supervision from others.

**Consistency** – A robust training and development program ensures that employees have a consistent experience and background knowledge. The consistency is particularly relevant for the company's basic policies and procedures. All employees need to be aware of the expectations and procedures within the company. Increased efficiencies in processes results in financial gain for the company.

**Increased productivity and adherence to quality standards** – Productivity usually increases when a company implements training courses. Increased efficiency in processes will ensure project success which in turn will improve the company turnover and potential market share.

**Increased innovation in new strategies and products** – Ongoing training and upskilling of the workforce can encourage creativity. New ideas can be formed as a direct result of training and development.

**Reduced employee turnover** – staff are more likely to feel valued if they are invested in and therefore, less likely to change employers. Training and development is seen as an additional company benefit. Recruitment costs therefore go down due to staff retention.

**Enhances company reputation and profile** – Having a strong and successful training strategy helps to develop your employer brand and make your company a prime consideration for graduates and mid-career changes. Training also makes a company more attractive to potential new recruits who seek to improve their skills and the opportunities associated with those new skills. Training can be of any kind relevant to the work or responsibilities of the individual, and can be delivered by any appropriate method.

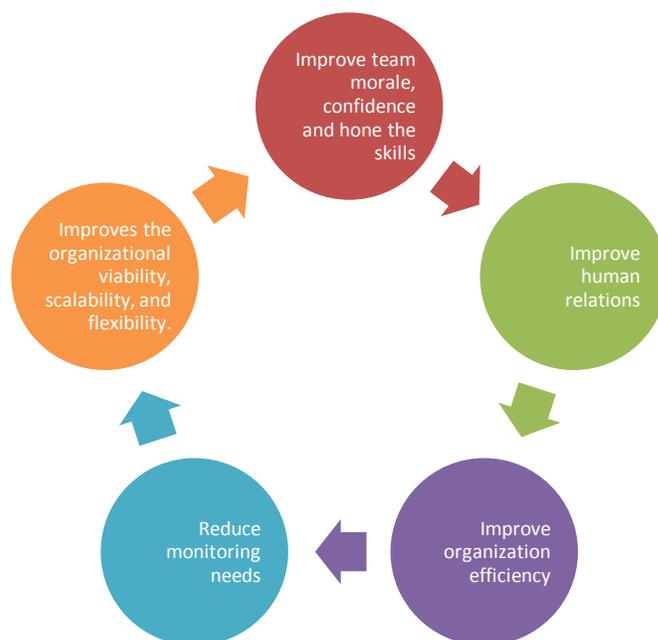
For example, it could include:

- On-the-job learning
- Mentoring schemes
- In-house training
- Individual study

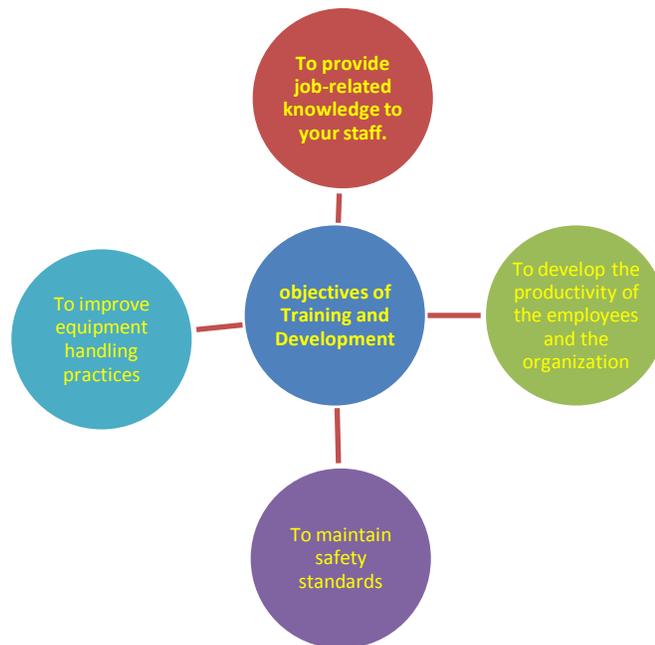
## BLENDING LEARNING

Blended learning is becoming more and more popular and as a company we have seen a definite increase in this method of training over the last year. Blended Learning is the effective combination of online learning and classroom learning. Many of 20|20's clients prefer their staff to learn on-site rather than attend off-site training programmes – especially in industries like oil and gas where it is often very impractical to attend off-site courses. On-site learning programmes like the blended learning approach, allow 20|20 to train more people working across a larger international footprint than just the UK. This makes it much more cost-effective and allows for greater process consistency.

## WHAT ARE THE GOALS OF TRAINING & DEVELOPMENT?



## WHAT ARE THE OBJECTIVES OF TRAINING AND DEVELOPMENT OF AN ORGANIZATION?



### RESEARCH METHDOLOGY

#### Data Collection Method Used

Data is defined as all the facts and figures that are arranged in an orderly manner to make sense. Data from this research work was collected from two main sources; the primary and the secondary sources. Primary data is first hand data collected directly the field and have not been used by anyone. Such data can be obtained using questionnaire, observation and interview. Meanwhile, secondary data are those items that have been originally collected and worked by another research which the present researcher may need for her research work. It is second hand in nature and less reliable.

#### Sample and Sampling Techniques Used

A sample is several persons selected from a wider population for study purpose. While sampling technique means the methods or procedures employed by the researcher to choose the sample out of the whole population. Sampling techniques are also known as sampling designs. This piece of work was carried out at HDFC BANK, Meerut with the various departments such as the account relation office, the cashier teller, the branch manager, the internal control, branch operator supervisor and the customer service. The sample size chosen by the researcher was 40 out of 60. The researcher used convenient sampling; that is, selecting the accessible population from the workers, from whom information can be obtained.

### PRESENTAION AND ANALYSIS OF DATA

This chapter focuses on the presentation and analysis of results obtained by the researcher. The data is analysed using simple and statistical methods and representation on tables.

#### IDENTIFICATION OF RESPONDENTS

The population under study is the staff of HDFC branch Meerut. The respondents were within the different departments which are; customer care centre, the loan relation office, the teller, internet control, branch operator supervisor and the branch manager. Below is a table showing how the workers in the different departments responded to questions.

**IDENTIFICATION OF RESPONDENTS (FIELDWORK 2018)**

Departments	Frequency	Percentage
Customer Care Centre	8	20
Loan Relation Office	12	30
Internal Control	9	22.5
Teller	6	15
Branch Operator Supervisor	5	12.5
Total	40	100%

From table above, is shown that most of the respondent in the loan relation office freely expressed their idea to the questionnaire with a percentage of 30 %, followed by the customer service with 20 %, the teller with 15 %, and lastly by the branch operator supervisor by 12.5 %.

**ANALYSIS OF DATA COLLECTED**

Here, data will be presented based on the training and development and of what impact it has on the organizational performance. Samples of seven were asked and below are some of the questions posed:

**Question 1 Are the employees adequate in what they do? (Fieldwork 2018)**

Response	Frequency	Percentage
Yes	25	62.5
No	15	37.5
Total	40	100%

From the analysis, 62.5 % of the staffs believed HDFC branch employees do their jobs adequately, 37.5 % were of the opinion that they are not adequate for it.

**Question 2 Do employees face difficulties in their jobs with the global changes? (Fieldwork 2018)**

Response	Frequency	Percentage
Yes	18	45
No	22	55
Total	40	100%

From table four it shows that most of the employees have knowledge of technology with about 55 % while some do not have a good knowledge to use the computers apart from specialized programs that are used in the organization with a percentage of 45%.

**Question 3 Are the training needs of workers identified? (Fieldwork 2018)**

Response	Frequency	Percentage
Yes	18	45
No	22	55
Total	40	100%

The above table shows that most of the respondent believed their needs are not identified or is provided in an ad hoc manner with a percentage of 55, while only 45 % were of the opinion that their needs are identified.

**Question 4 How is training done for the needs to be addressed? (Fieldwork 2018)**

Response	Frequency	Percentage
Seminar	15	37.5
On the Job	25	62.5
Total	40	100%

From the above table, some respondents were of the fact that training seminars were organized and conducted but not for every employee and not often with the percentage of 37.5 while some believed they rarely have seminars but rather improve their skills and knowledge as they continue doing their job. Workers were also unanimous they had improved at the exercise of their job, though at difference levels, ever since were recruited. They ascribed this improvement to on-the-job training and seminars.

**Question 5 What were the objectives of the training and development programs?(Fieldwork 2018)**

Response	Frequency	Percentage
Improve Performance	30	75
Acquire more skills	10	25
Total	40	100%

The above table shows that 75 % of the workers had as opinion that training and development programs are to help improve performance while 25 % it is to acquire more skills.

**Question 6 What impact does training and development have on organizational performance? (Field work 2018)**

Response	Frequency	Percentage
Positive	40	100
Negative	0	0
Total	40	100%

Table seven shows that all the respondent believed training and development programs have a positive impact, considering organizational, departmental and personal goals will greatly improve productivity in the long run.

**INTERPRETATION OF RESULTS**

The interpretation of results is based on the questionnaire which was administered to the respondents. These questionnaires were administered and collected at the spot and some direct interviews were made which gave the researcher immediate feedback. The personal characteristics of study include attributes such as; age, gender, status, longevity and academic qualification. These studies have proved such traits on the effectiveness of studies. From the analysis above, it proves that if training needs are being identified and programs organized and conducted to address the needs, it will go a long way to improve not only the performance of workers, but that of the overall organization.

**CONCLUSION**

The reason for investigating the impact of employee training and development on organizational performance was motivated by the observation that some organizations do not seem to care about improving the capacity of their workers; they instead frown at and punish any weaknesses of workers. Using the HDFC, Meerut branch, the researcher got information from 40 respondents, through questionnaires, interviews and

personal observation. After analyzing the data collected, it became evident that HDFC Meerut carries out training programs on regular basis. On-the-job is also done through supervisory works and updated in meetings. Among the difficulties faced by training and development program, it was discovered that temporary losses are incurred due to financial expenses, and the momentary stop of productivity. Generally, employees were greatly improved at their jobs due to these training programs.

To reap the full benefit of training initiatives as well as development programs, the researcher recommends thus: training needs should be done more professionally in conjunction with individuals involved together with human resource personnel.

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