

## Importance of Training and Development among Bank Employees in India

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**Abstract:** This research work examined the relationship between staff training and job satisfaction among Indian banks employees with special reference to the selected banks in SPSR Nellore district, Andhra Pradesh, India. Structured questionnaire was used to collect data from eighty (80) respondents through simple random sampling method. Pearson product moment correlation coefficient was employed to know the relationship between staff training and job satisfaction, while multiple regression was used to determine the effect. The result showed that staff training has positive significant relationship with job satisfaction. The study also revealed that the combined influence of age, working experience, and qualification have a strong association with job satisfaction of SPSR Nellore district banks' employees. Subsequently, recommendations were made that Management should increase budget for staff training and also staff training must be in line with organizational objective.

**Keywords:** Staff Training, Job Satisfaction, Demographic, Bank, SPSR Nellore District, Andhra Pradesh.

### I. INTRODUCTION

Training has been recognized as one of the managerial tools that enhance job satisfaction globally. Training is basically a practical education through which knowledge and skills development, experience and inefficiencies are overcome and closer approximation can be achieved (Kunju Kunju Benson 2008). Human resource specialists who realize the value of training and development have taken deliberate decisions to encourage management of organizations to give their employees significant autonomy to develop their skills and have made a wide range of training available across their organizations, tailored to meet the needs of employees. (Janakiraman 2009) reported that training and development have enhanced personal job satisfaction. Grund, (2001) also agreed that training has improved employees performance in term of increased in productivity, particularly in areas such as sales, customer services and IT, also improvement in retention rate, and higher levels of personal job satisfaction. Higher productivity and improved employee performance will rely on employees having the right skills. Historical data from the SHRM employee job satisfaction survey report over the past few years show that employee job satisfaction has begun to depend more on issues like job security and the opportunity to use skills and abilities (Jyothi and Venkatesh D.N, 2008). Jones et al, (2008) also agreed that training deals with the efforts made to bring improvement in the performance of employees.

Results of a 2000 survey of 271 network professionals conducted by Lucent Care showed that the most important factor in job satisfaction was the opportunity to learn new skills (Raj Aparna, 2000). The importance of training has grown in last few years because of rapid growth in the management practices, and increasing demands of the

employee job. Thus training is the best solution to improve employee's understanding and let them know how to use the specific skills (Shah,1984). Training is managerial tool which enhances employee's skills to cope with the problem of bank distress syndrome that facing Indian banking industry where many are thinking of merger and acquisitions.

### II. LITERATURE REVIEW

Organizations invest much of its capital on the training and development of its employees. It makes the case sensitive to investigate whether training is giving benefit to the trainees and to what extent training process could be improved. Training not only enhances the performance of the employees but also helps them to motivate and develop undergoing relationship with the organization (Benson 2008). Training refers to an activity which deliberately attempts to improve a person's skill at a task. (Jyothi P and Venkatesh D.N 2006) stated that companies conduct training for three purposes which are to carry the company strategy, bringing innovation and advancement in technology. That is done to improve the quality of the product and for the provision of quality services. He further added that training also depends on the importance firms give to its labour's skills. Training is also linked with the innovation thus labour needs to be trained to cope with the latest developments and technological changes. (Jadav Agit 2013) observed during his study that if training is of general nature and is provided by the employer at no direct cost to the workers then workers typically reports larger productivity gains from the training during work hours. Beside this fact, he elaborated that workers with greater earnings are always willing to participate in the training.

(Raj Aparna 2011) described training as the systematic development of the knowledge, skills, and attitudes required by a person in order to effectively perform a given task or job. He goes on to note that training is a pervasive activity in society, taking place within industry and commerce, government agencies and departments, health care organizations, and all branches of the armed service. Within every organization, training occurs at all levels of personnel, and trainees may vary in terms of age, work experience, disability, educational background, ethnic origin, and skill level (Raj Aparna, 2011). (Ramakrishna G and Kamaleswari 2012) noted that training is a sub-process of the overall process of matching individuals to jobs (a process that begins with the screening, selection and placement of employees.) They believed that training serves three important functions within an organization:

- Maintaining employees' existing performance as required by the organization.
- Improving employee motivation by strengthening employees' beliefs in their abilities to perform their jobs.
- Assisting with employees' socialization and understanding of organizational priorities, norms, and values. Training methodology, structure, delivery, and content all reflect these organizational issues.

According to (Raj Aparna 2011) training methods are either on-the-job, implemented outside the organization or a combination of both they are apprenticeships, coaching, distance learning, inter-ships, job assignment, job rotations, lectures, mentoring and online training. Job satisfaction has become a matter of great interest in social as well as management sciences. It has been argued in the literature that answers to questions about how people feel toward their jobs are not meaningless but rather convey useful information on individual behaviour such as job quits (Pandesharon and basak. Swapnalekha 2012), and absenteeism as well as productivity (Clegg, 1983). Job satisfaction is defined as the extent to which people like or dislike their jobs (Williams, 2007). Job satisfaction is considered a strong predictor of overall individual wellbeing (Raj Aparna 2011). He agreed that trained employees are more satisfied with their job than those who are not trained. Literature revealed that job satisfaction could be predicted from professional role behaviour such as gender, age, marital status, education and other characteristics. (Raj Aparna 2011) showed that the probability that a worker voluntarily leaves his job decreases with job satisfaction, even after controlling for several worker and job characteristics. In cross-sectional studies job satisfaction has predicted worker productivity (Tsang et al., 1991).

Work by Clark et al. (1996) provided some evidence that expectations are affected by a worker's age, educational level and occupation. Grund (2001) concentrated on increases of job satisfaction after job changes. Shields and Ward (2001) found that dissatisfaction with promotion and training opportunities have a stronger effect on intentions to quit than dissatisfaction with workload or pay.

### **III. EMPIRICAL STUDIES OF RELATIONSHIP BETWEEN TRAINING AND JOB SATISFACTION**

Stephen and Bowley (2007) studied the training impact on the employee job satisfaction. In study, they linked training with the employee's productivity which would lead towards employee as well customer satisfaction. Gazioglu and Tansel (2002) found a significant positive relation of training and job satisfaction in Britain using ordered Probit estimation. Also Schmidt, (2007) investigated the relationship between training satisfaction and overall job satisfaction when analyzing a sample of 552 customer and technical service employees from the United States and Canada. He found a significant positive relationship in terms of a bivariate regression coefficient (Baldwin and Johnson 1995). (Asaju, 2008) described that if employees are trained at low level it would increase their tendency towards leaving the organization, while high level training increases the employee satisfaction and focuses him/her to stay in the organization (Raj Aparna 2011). Georgellis and Lange (2007) investigated the relationship of on-the-job training and job satisfaction. They use three waves of the GSOEP where the latest one is from 2000. Estimating an ordered Probit model leads them to a significant positive correlation of employer financed training and job satisfaction for men. Oreopoulos and Salvanes (2009) examined the effect of schooling on lifetime well-being and find positive effects using twins and siblings data.

D'Addio et al. (2007) analyzed determinants of job satisfaction where they also include information about training participation. They use data from Denmark and estimate ordered Logit fixed effects model which was proposed by Ferrer-i-Carbonell and Frijters (2004) and Das and van Soest (1999). The coefficient of their training variable is significantly positive for men. For women it is the same when using the Das and van Soest (1999) estimation but leads to an insignificant coefficient with the Ferrer-i-Carbonell and Frijters (2004) estimator. (Raj Aparna 2011) investigated the correlation between training needs and job satisfaction among hotel employees. His finding was in line with other previous researchers. He found the positive correlation between training and job satisfaction.

### **IV. RESEARCH OBJECTIVES**

The objectives of this research paper is to

- Examine the relationship between training and job satisfaction.
- Examine the socio demographic characteristics of banks staff that affect job satisfaction.

#### **Research Hypotheses:**

- There is no significant relationship between training and job satisfaction.
- There is no significant relationship between the demographic characteristics and job Satisfaction.

### **V. RESEARCH METHODOLOGY**

The research design adopted for the study was descriptive survey. The instrument used for the study was tagged 'Bank

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Employees Job Satisfaction and Training Questionnaire' (BEJSATQ). The instrument was a 20-item questionnaire with three sections captioned as follows: socio demographic characteristics of the respondents, training needs and job satisfaction. The total population for this study is all employees of Indian banks in Nellore District in Andhra Pradesh. The sample was made up of 80 employees from the eight selected banks in Nellore district in Andhra Pradesh. The validation of the instrument was achieved by subjecting the draft questionnaire to jury the method where professionals from relevant fields critically examined it and their inputs were incorporated into the final copy. The scale was subjected to item analysis in order to ensure it is valid and reliable and it yielded reliability alpha of .85. Pearson product moment correlation was used to examine the relationship between dependent variable (Job satisfaction) and independent variables (Staff training needs and socio demographic characteristics), while multiple regression was employed to examine the effect of staff training and socio demographic characteristics on job satisfaction.

### A. Data Analysis and Interpretation Of Result

**TABLE 1: Pearson Product Moment Correlation: Showing The Relations Of Job Satisfaction, Staff Training And Socio Demographic Characteristics**

Variable Status	Job Satisfaction	Staff Training	Age	Work Experience	Gender	Qualification	Marital Status
1	1.000	0.700	0.097	0.004	0.003	0.270	0.175
2		1.000	0.125	-0.025	0.104	-0.244	0.075
3			1.000	0.078	-0.132	0.177	-0.245
4				1.000	-0.188	0.106	0.010
5					1.000	-0.192	0.126
6						1.000	0.520
7							1.000

The table 1 shows that training has positive relation with job satisfaction with ( $r = 0.700$ ). This implies that trained employees are more satisfy with their job. This result is conform to (Stephen and Bowley, 2007; Gazioglu and Tansel, 2002; Sajuyigbe and Amusat, 2012; Bakare, 2012; and Large, 2007) who found the positive relationship between staff training and job satisfaction. The table also reveals that age, working experience, gender, qualification and marital status have positive relationship with job satisfaction with ( $r = 0.097, 0.004, 0.003, 0.027$  and  $0.175$ ) respectively. This suggests that the older employees are satisfied with their job more than young employees. The result also indicates that the more the bank employees stay in the job, the more they develop job satisfaction. Gender, qualification and marital status also predict the job satisfaction.

**TABLE II: Model Summary**

Model R	R Square	Adjusted R	Square Std.	Error of the Estimate
1	0.741a	0.550	0.513	0.35110

**Predictors:** (Constant), marital status, Experience, staff training, Gender, Age, Qualification.

**TABLE III: ANOVAa**

Model	Sum of Squares	Df	Mean Square	F	Sig
Regression	10.989	6	1.831	14.858	0.000b
Residual	8.999	73	0.123		
Total	19.988	79			

**TABLE IV: Coefficients**

Model	Un standardized Coefficient		Standardized Coefficient	T	Sig
	B	Std. Error			

**Dependent Variable:** Tables 2,3 and 4 show that significant co-joint influence of staff training, Age, Working experience, Gender, Qualification and Marital status on job satisfaction ( $R^2 = 0.55$ ;  $F(6, 73) = 14.858$ ;

### VI. CONCLUSION AND RECOMMENDATIONS

This research work examined the relationship between staff training and job satisfaction among Indian bank employees in Nellore District Andhra Pradesh India. The result revealed that training of staff has significant impact on job satisfaction. This means that staff training is prime importance in achieving organizational stated objectives. The study also revealed that the combined influence of age, working experience, and qualification have a strong association with job satisfaction of Indian banks employees. Based on these findings it can be concluded that the quality of staff training irrespective of gender and interest of the employees will go a long way in discharging quality service and this will reduce turnover intention and among banks staff. The study therefore recommended that management of Indian banks should follow proper mode of selecting staff that are qualify for training which must across the gender. Management should increase budget for staff training and also staff training must be in line with organizational objectives.

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