

Evaluation of On-the-Job competencies & Training Effectiveness

A Study of Junior Management Grade Bank Officers

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Abstract

Trainings and the Innovations in trainings have always challenged the Industry and Academia alike. There are numerous training engagements between industry-academia to make the job seekers productive on first-day as they recruit. Further, the objective of aligning trained manpower to organizational goals with minimal time and cost of the corporate has kept the creators of demand – supply at their toes in the market place.

Banking Industry is no exception. Coupled by dual manpower challenges; financial inclusion through expanding branch networks and positioning the right candidates from among the new generation recruits to help them achieve the underlying business objective. Recently, many Public and Private sector banks tied with Educational Institutions to design a training program exclusively to train the new generation recruits who are Job fit. from the first day of joining them. These training engagements are customized and tailor-made to train the new recruits in the areas of various job related competencies, such as Product, Process and Behavioral. This research paper has made an attempt to evaluate the OTJ competencies exhibited by the new recruits and thus measure the training effectiveness of the engagement.

Keywords : Training, Competencies, Employee engagement

Introduction

Training is one of the most important strategies for organizations to help employees gain proper knowledge, skills and attitude needed to meet the environmental challenges (Goldstein and Gilliam, 1990; Rosow and Zager 1988). The training imparted would help the employees to adjust to their job requirements (Dayal 1970). Training needs are to be identified through careful observations, which indicate poor performance, low production, high cost, poor product quality, high scrap, spoilage, wastage, accidents, absenteeism, and turnover (Sundaram 1970). Many organizations have already shifted their thinking about the training

function. They have seen for themselves that training is where skills are developed, attitudes are changed, ideas evolve and the organization is reinvented. In the course of learning the skills that will increase sales, build effective teams, improve quality, standards or meet a wide range of other objectives, employees create a new organization culture. With the competitive business environment, the workforce competencies are continuously changing. To sustain the competition for efficiency and growth of the organization, it is essential to understand, evaluate and update the current competency levels as it provides a means to pinpoint the critical competencies for organizational success. Competencies are

demonstrated in job context and are influenced by an organization culture, business goals and objectives and work environment.

It is usual for Banks to recruit Probationary Officers (POs) through a recruitment exercise of a very large-scale with a written test for lakhs of applicants. The selection is tough in view of the relatively smaller number of posts advertised vis-à-vis the number of applicants. Hence, the rejection rate is substantially higher in a direct PO examination. Also, the selected POs come into the system, untrained and take time in the Bank to actually show results and perform to their true potential. Secondly, banks could never get the required no. of employees against their requirement.

In contrast, the model in discussion here, i.e. recruiting the POs post the customized B-School training is believed to be beneficial as the recruits would have gone through a focused course in Banking and Finance and therefore would already possess banking knowledge and skills. The training areas are jointly identified by the B-school along-with the management of the Bank aimed to enable the officers to be aligned with the Bank from first day. Further, as the recruits would have already gone through training on bank's internal processes, products, technology etc., they would stand at a distinct advantage vis-à-vis other hires as they would be able to contribute much earlier. These recruits will however be put through a rigorous three months of internship at various branches. During this period, their respective mentors who are mostly Branch Heads will give practical inputs to the Trainee Officers to make them "First-Day, First-Hour Productive" by attaching them to an operational team and getting field work experience. On successful completion of the internship, the students will be absorbed as Probationary officers in the Bank

in Junior Management Grade / Scale –I.

The training program is of nine months duration followed by the three month internship program in various branches of the bank throughout the country. The thrust of these nine months training is to impart functional knowledge of general management, specialized knowledge of banking related products and processes, and behavioural attributes required for the job. The programme participants i.e. the Trainee Officers are put through this training with emphasis on application of knowledge and behavioural competencies leading to overall development of personality fit for a Banking role.

Definition of Competencies

Up until the 1980s, competence and competency tended to be interpreted narrowly in terms of demonstrable skills or personal attributes, reflecting its association with training. Since then, competency research has considerably expanded and deepened, and a broader range of variables has been identified that can constitute competence. These include factors such as personal competence, job competence and meta-competence.

Job competencies can be defined as series of behaviour or action that make up a portion of a job. A competency is an integration of knowledge, skills, abilities, behaviours, attitudes and personal characteristics that allow an individual to perform successfully on the job. Behavioural competencies are observable and measurable behaviours, knowledge, skills, abilities, and other characteristics that contribute to individual success in the organization (e.g., teamwork and cooperation, communication). Behavioural competencies can apply to all (or most) jobs in an organization or be specific to a job family, position, or career level.

Apart from technical skill, behavioural competencies are also very important in banking industry as banking being predominantly a service industry where interaction of customers with employees forms the basis of customer experience and the Bank's brand.

Although, there are many varied definition of competence the majority of them incorporates three interrelated elements (beard et al 1988) the positive attributes of job holder, the job being effectively done and the positive outcomes attributed to the jobholder. Competencies can be taught (Spenser and spenser). A general method for teaching has social learning and self-directed change.

Objective of the Study

The research paper attempts to:

1. Evaluate the OTJ competencies exhibited by these Junior Bank Officers during their 3 months of internship at various branches as a measure of training effectiveness.
2. Identify the reasons for low scores or improvement areas identified during the research.
3. Suggest ways / methods to enhance the training effectiveness of the program.

Statement of the Problem

1. On-the Job competencies are demonstrated only in the real life work environment impacted by organization culture and goals. The job competency assessment and evaluation is incomplete without a peer review. For a proper evaluation the mentors (Branch Heads) needed to give the primary opinion on the competencies exhibited.

2. Training Effectiveness of a training structure is best assessed by the trainers, trainees and managers of the trainees. A three-way perception of the training structure would be required to objectively assess the improvement areas.

Literature Review

Research on training transfer continues to intrigue scholars and workplace practitioners. The reason is very obvious; they are interested in discovering how best to support the application of new learning and suggest improvements. As organization attempts to maximize human capital investment leveraging knowledge from training, other performance interventions are also critical to maintain a competitive advantage. Most reports on training transfer indicate only a small amount of learning was actually applied on the job. In a study by knowledge advisors, a human capital metrics firm which measured training experiences after 90 days, the findings were that 40% knowledge was applied and rest 60% was considered to be scrap learning (Berk, 2008p 46). This high scrap ratio which is commensurate with other transfer reports (Fitzpatrick, 2001, Newstrom, 1986, Sacks & Belcourt, 2006) raises concern about the efficiency of training as a performance improvement metrics. Strategies have demonstrated that positive effect on training transfer includes practices that influence learner characteristics such as motivation and self-efficacy.

Learner characteristics

The role of learner characteristics in maintaining new learning is well established in literature.

According to (Burke & Hutchins) 2007, role of cognitive ability, personality factors, self-

efficacy, motivation, and perception of training utility and organizational commitment has a direct or indirect influence on learning transfer. In a training research, Colquitt, LePine and Ng (2000) suggested that intelligence is likely exhibited through learning and takes a prominent role in training application. Also Colquitt et al finds anxiety produced negative correlation with every training outcome. Similar results have been found in transfer and anxiety in e-learning courses (Park & Wentling 2007). Participants high on openness to experience exhibited higher training proficiency (Barrick and Mount (1991). Trainees who were highly sociable (extrovert) exhibited higher training performance across multiple occupational categories.

Numerous studies have found positive relationship between self-efficacy and multiple training outcomes (Holladay & Quinones 2003, Mathieu & Tannenbaum 1993). The consistency of this relationship suggest that trainees who believe in their ability to learn and use their knowledge and skill on the job are more likely to overcome obstacles that may delay the application of new learning. Numerous studies have explored the role of motivation to learn on training factors. Axtell, Maitlis and Yearta (1997) found motivation to transfer was a significant predictor. He found that trainees who perceived training relevant to their job had higher levels of immediate skill transfer. Also trainees' immediate training needs significantly affected their perceived level of learning transfer. Perceived value or utility of training can be influenced by trainees' evaluation of:

1. Credibility of the new skill for improving the performance
2. A recognized need to improve their job performance.

3. A belief that applying the new skill will improve performance

4. Practicality of new skill for ease of transfer (Ruona et al 2002, War & Bunce, 1995).

Training Design and Development

The design and facilitation has also been found to exert a significant influence on learning and in relation to transfer. Trainees are more likely to apply their training knowledge when the learning contents and material are similar to those used in work setting (Axtell et al 197) content should also be presented in such a manner that does not overload or confuse the learners with extraneous information (Merriënboer, 1997). Providing participants with feedback, reinforcement and remediation opportunities for learning resulted in higher transfer scores on a work task than the control group (Lee and Kahnweiler 2000). Also, design factors that included activities and discussions about using new learning On-the-Job were significant predictors of training transfer. Also, if the trainees set specific goals for using their new skills in the work setting will result in transfer of learning. Participants are more likely to transfer when they have a clear understanding of what knowledge and behaviour are required after training (Kontoghiorghes, 2001). Trainees who set specific but challenging goals (Brown 2005) use action plan (Broad & Sullivan) and engage in self-regulatory behaviour (Burke 1999) also reported higher levels of training transfer than those who are not using these strategies.

Training Evaluation

Transfer of learning to work or "behaviour at work", as TD&E outcomes, have been the focus of several research studies based on these models. Baldwin and Ford (1988) define

transfer of training as the extension in which competencies are acquired in a training program and then applied, generalized and maintained for a certain amount of time in the work environment. A training action promotes the acquisition of competencies which is followed by retention; generalization for new situations; transfer of learning; and, at the end of the chain, impact of training on work. When organisational behaviour and human resource management scholars approach the topic of training evaluations, they agree on the Kirkpatrick's Hierarchical Model of Training Outcomes (1959a, b, 1960a, b, 1967, 1996a). According to Kirkpatrick's goal-oriented model, reactions, learning, behaviour and results represent the four levels that explain the efficiency, effectiveness and quality of training. Level 1, or reactions, refers to the emotional responses of trainees to the training programme and therefore does not take into account any measure of learning. Level 2 learning pertains to the logics, methodologies and techniques acquired by trainees, without considering their job-related application. Level 3, or behaviour, relates to the real usage of new principles and practices learned by trainees to modify and improve their behaviour and performance at work. Finally, level 4, results, entails the impact of training on, for example, costs, productivity, quality or morale, depending on the desired results of the training.

Scope of the Study

The scope of study is very broad and limited at the same time.

1. The study conducted here can be a benchmarked for many further such industry-academia partnerships.
2. It is broad as it would encompass reviews of a

large no. of Bank Officers posted across the length and breadth of the country.

3. It is limited in the sense that it is based on a study of one particular program run by one public sector bank.
4. The training effectiveness does not deal with the aspect of right person for the right job. It does not evaluate the personality characteristics of the junior officers.

Research Design

1. Evaluate OTJ, product knowledge, process and behavioral competencies exhibited by the Bank officers on a scale of 10 by their mentors.
2. Understand the gap between competencies desired and acquired competencies, as a measure of training effectiveness by Bankers, Trainees and Trainers.
3. Suggest intervention areas to both the Bank and the B-school so as to reduce the gap between desired competencies and acquired competencies.

Research Methodology

The research design opted was descriptive in nature. The sampling technique used was convenience and judgemental. The domain of the study included 46 regions of one of the nationalized bank. The branches were small to large in size including Regional and Zonal offices. The sample size was 149 branch managers. The data was collected by administering close-ended questionnaire. It was further subjected to computation in the form of table which made the calculation and analyses easy. A total of 149 Branch Managers were interviewed for the performance evaluation and training effectiveness of these

probationary officers.

Research Data Interpretation

Effect of Training on Product Knowledge

The Bank has divided its businesses into 4 main segments, namely.....

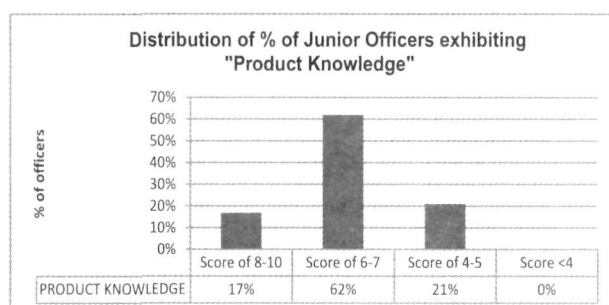
1. **Wholesale Business** which caters to the banking requirements of the medium & large corporate customers.
2. **SME Business** which cater to the banking requirements of Micro, Small & Medium enterprises.
3. **Retail Business**, which caters to the retail banking product and services to individuals and
4. **Rural & Agri Business**, which cater to the banking needs of rural areas.

Besides the above, the bank also offers wealth management services to their customers.

The officers were given training on all products and services offered by the bank in the B-school.

In response to the question about product knowledge 17% were rated within 8-10 on a scale of 10 whereas 62% students were rated between 6-7 and 21% were rated within 4-5 from their respective managers. From this data we can interpret the officers had fairly good idea about the various products of the bank.

Job Competency Parameter	Score of 8-10	Score of 6-7	Score of 4-5	Score <4
PRODUCT KNOWLEDGE	17%	62%	21%	0%

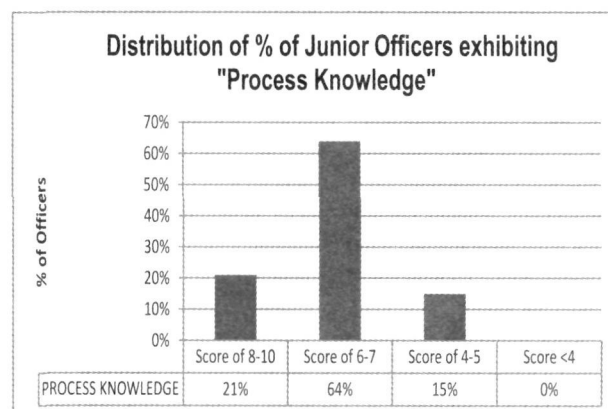


Effect of Training on the Process Knowledge

In response to the question about the officers. proficiency in the various processes followed in banking operations, 21% were rated between a score of 8-10, and 64% were rated with a score of 6-7.

Job competency parameter	Score of 8-10	Score of 6-7	Score of 4-5	Score <4
PROCESS KNOWLEDGE	21%	64%	15%	0%

Figure 2 : Effect of Training on the Process Knowledge



Effect of Training on the "Behavioural Competencies"

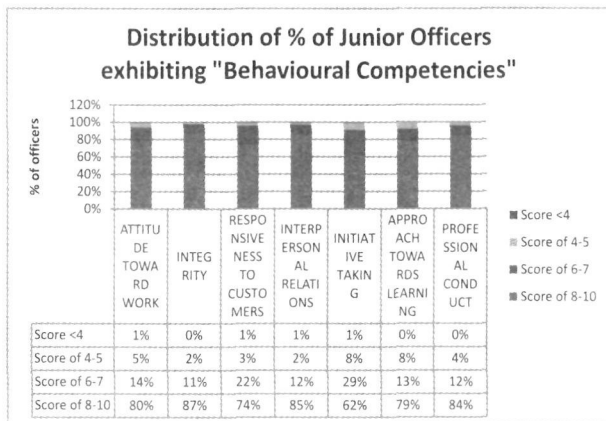
In the Behavioral competency responses, the questions were detailed out to identify specific attributes of the officers that were exhibited on the job. From the data above it can be inferred that similar to the product and process knowledge, the officers also exhibited fairly good behavioral competencies. However, there were few specific attributes which were found to be lacking in a sizeable group of officer, namely the Responsiveness and Pro activeness (Initiative taking).

Table 3 : Behavioural Competencies

Job Competency parameter	Score of 8-10	Score of 6-7	Score of 4-5	Score <4
ATTITUDE TOWARD WORK	80%	14%	5%	1%
INTEGRITY	87%	11%	2%	0%

Job Competency parameter	Score of 8-10	Score of 6-7	Score of 4-5	Score <4
ATTITUDE TOWARD WORK	80%	14%	5%	1%
INTEGRITY	87%	11%	2%	0%
RESPONSIVENESS TO CUSTOMERS	74%	22%	3%	1%
INTERPERSONAL RELATIONS	85%	12%	2%	1%
INITIATIVE TAKING	62%	29%	8%	1%
APPROACH TOWARDS LEARNING	79%	13%	8%	0%
PROFESSIONAL CONDUCT	84%	12%	4%	0%

Figure 3 : Behavioural Competencies



Analysis

Evaluation of competencies exhibited during the OTJ internship:

Product / Process Knowledge – Data above reveal that the mentors of the bank officers i.e. the Branch Managers very happy with the overall performance. On the Product knowledge, only 21% officers were rated below the median score and 79% were rated as above average or excellent. Similarly, on the Process Knowledge aspect only 15% of the officers

were rated below the median and 85% were rated as above average or excellent.

Behavioural Competencies – Data above reveal that Junior Officers have also exhibited fair degree of behavioural competencies on the job. Though, there were few areas where there was a scope of improvement, like Responsiveness. and Proactiveness..

The reasons for this high effectiveness of the training as evaluated were cited to be:

1. Course content designed in consultation with the Bank Management.
2. Course Duration, which includes nine months of class room and 3 months of on-the-job training.
3. Training Pedagogy, where the course is led by faculty members who are retired bank employees.

Reasons for Low Scores / Improvement Areas (Gap Analysis)

Employee training program often has a covert objective of changing trainee attitude or are based on the assumption that attitude change will occur through mere exposure to the focus of stated training objective regarding particular interpersonal skills.

Given the training was relevant and successfully conducted the sources of apparent failure are the trainees, the work environment or a combination of both.

Adult cannot be changed except through a process that leads them to feel personally dissatisfied with their current competency, personally clear about what their own goals for competence are and personally clear about how to use new competency behavior. Learners must

feel a gap or discrepancy between their current and desired level of competence. It is this gap that provides the energy and direction to change.

The reasons can broadly be classified at the individual level and secondly at the overall engagement level.

In the recommendation section, I would highlight the issues that can be addressed to improve the overall training effectiveness.

Recommendations

The researcher suggests the following six steps for design of enhancing the job related competencies of the junior officers:

1. Close mentoring of underperformers: in a training program like this, it is important to gaze the underperformer within the class-room training period early and coach them to believe that competencies being nurtured do help to make the jobs executed well. The trainees can at times be put under simulated environment, where the trainee reaction is – “I am not sure how to do it...hence I may have something to learn.”

2. Real Life situations: Trainees are trained on various products and processes. However, the trainees should become a part of the Bank before joining through concentrated real life issues that the bank is facing and trying to plan it out. Real Life issues where a group of trainees can work with their seniors in the bank will help sharpen their job related competencies.

3. Self-Assessment: Trainees should be given a chance to self-assess themselves through the various real-life simulations and exercises and be asked to rate one-self as average or excellent performer against the identified and accepted benchmark.

4. Trainer-Trainee Ratio: The above given recommendations would also entail a good trainer-trainee ratio. A ratio of 1:60 may be good for product and process trainings as such, however if the trainees need to be made more self-aware and given more real life exposure, the trainer-trainee ratio will be a critical element.

5. Selection of Candidates: An important aspect of the successful candidate in such an engagement would also be the selection of the right candidates. Sometimes, people during the course of the engagement realize they are not the right fit. These candidates are less likely to succeed than others and may perhaps be dropped at the selection stage.

6. Change in Engagement Structure: It was identified that some trainees felt that they were able to acknowledge the training better once they were on the field. It would be an idea worth evaluating to change the engagement structure to six month class-room, three month OTJ and again three month in class-room.

Conclusion

We are entering into an era of highest ever competition, dealing with Gen Y and facing aspirations of the individuals and corporate at mind blowing levels. As HR professionals and academicians it would be very much our duty to proactively identify areas of intervention where we can address the situation at hand. An engagement of this nature reveals that structured industry-academia exercises to train targeted group of future employees in specific knowledge domain seem to offer greater scope in India.

Further, the scope of evaluating the best model which would achieve the aspirations of all the parties, the trainers, the trainees and the

employer will be open for debate. However, I would like to conclude that the unique and new model discussed here in my paper, seems to be working. Though the scope of my study was one public sector bank, however the fact that there are many such engagement programs running in parallel is a testimony of the success.

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