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# A study on the Process of Training and Development Assessment needs of Employees in Selected Banks

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## **Abstract**

*Public and private sector banks conduct training and development Analysis (TNA) for their employees on regular basis to achieve organizational excellence. TNA requires a systematic approach to identify what professionals of banks need to learn for achieving company's goals. In most banks, individual professionals have to develop their skill sets as and when needed. Banks provide various kinds of training to individual professionals, like induction training, soft-skills development training, banking operational training, functional training, attitudinal training, skills development training, quality assurance training, managerial skills development training. This study analyses the actual process of assessment and the role and motivation of top and middle level management in this process; it also looks at whether or not proper climate and seriousness regarding training needs assessment are prevalent at the time of assessment. The bank can make use of various materials for conducting the analysis of training needs analysis like; Company Documentary Search, Annual Reports / Business Plans, Organization Charts, Job Descriptions / Specifications, Reports on Labor Turnover / Absenteeism, Succession Plans, Procedural Manuals/Audits, Accident reports etc., Credit Notes and Complaints etc.*

## **INTRODUCTION**

Training institutions in the banking sector are conducting functional programmes on various banking transactions and making these programmes available to each level of employees. While as observed currently, employees are recruited from urban cities, the rural orientation and intimate knowledge of local conditions become very important in view of the major thrust in rural banking. There is also a mismatch between skilled manpower the industry gets through the banking service recruitment boards and the requirement of the types of services to be rendered as well as the types of customers to be served. This needs the gap to be bridged through appropriate training. Training is basically a people oriented activity

which equips the personnel to do their jobs more effectively and efficiently. The organizational set up for training differs among banks. Generally every bank has an apex training college and a few training centers. Banks are taking special care in identifying, selecting and developing skills of the faculty so that the efforts and investment made in training bear the desired results.

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## **Training and development process – A critical organizational function**

Training typically involves providing employees the knowledge and skills needed to do a particular task or job though the change in attitude may also be attempted (e.g. training in preventing sexual harassment). Development activities, in contrast, have a long term focus on preparing for future work responsibilities along with increasing the capabilities of employees to perform their current jobs. Training and development begin when a new employee enters the organization usually in the form of the employee's induction into the organization and training in skills. New employees learn important organizational processes, values, norms, establishing working relationships and learn how to function in their jobs through the orientation process during first few days of joining the organization. The HRD staff and the hiring supervisor generally share the responsibility for designing the orientation process and the initial skills training. Skills and technical training programmes are organized to teach new employees a particular skill or area of knowledge. Once new employees have become proficient in their jobs through imparting training, HRD activities should focus more on developmental activities – specifically coaching and counseling. In the coaching process, individuals are encouraged to accept responsibility for their actions, to address any work related problems, to achieve and sustain superior performance. Coaching involves treating employees as partners in achieving both personal and organizational goals. Counseling techniques are used to help employees deal with personal problems that may interfere with the achievement of these goals. Counseling programmes may address such issues as stress management, fitness, nutrition and weight control. HRD professionals are also responsible for coordinating management training and development programmes to ensure that managers and supervisors have knowledge and skills necessary to be effective in their positions. These programmes may include supervisory training, job rotation, one day seminars or external courses. The current challenge for HRD professional is to play a more strategic role in the functioning of their organization. Progress should be made in moving towards a more “strategically integrated HRD”. HRD executives and professionals should demonstrate the strategic capability of HRD in

three primary ways: a) directly participating in their organization's strategic management process. b) Providing education and training to line managers in the concepts and methods of strategic management and planning. c) Providing strategic training to all employees in a way that is aligned with the goals and strategies of the organization.

## **Future Training and Development Needs**

A part from the increase in number of people to be trained, the following aspects of development in the banking sector in coming years need to be kept in mind while planning for training facilities. These are Growth and development of specialized financial services such as merchant banking, mutual funds, leasing, loans etc. With the reduction of regulations and disintermediation, the banking staff needs to adapt themselves to a change from non price competition to price competition. Liabilities management, deployment of funds, assets quality, profit planning may acquire quite different dimensions. In the modern banking system, decentralization and delegation of functions help speed up the pace of transactions. There are needs for every employee to cope up with rapid growing technology and innovations for the speedy operation of banking services. For business diversification, there is the need to train employees who become proficient in multitasking. There is also the emerging need for attitudinal transformation and new convictions about institutional belonging. Employees helpful attitudes even going out of the way is required for efficient functioning of the bank.

## **The significance of the study**

The training need assessment is a quantitative study surveying employee performance, knowledge and communication style. This becomes important when a change has to be ushered in the organization. Since every organization is unique, each training audit should be customized to meet the specific learning needs and requirements of each situation. Organizations should reeducate and retool their workforce using a training need assessment that identifies critical gaps in employee's workplace knowledge. The main role of training needs assessment is to identify gaps in learning strategies and resources needed to build an effective learning organization. The purpose of these

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needs assessment is to align learning to both the individual and organization with business strategies of the organization. In most of the organization, the emphasis is given on the systematic approach in order to achieve the goal of the training and enhanced level of organizational effectiveness to cope up with the change an organization has to undergo. Various models/ frameworks have been presented which provide the systematic approach / process to the training function. These frameworks, by and large, contain five phases, viz. 1) analysis phase which includes training analysis, training needs assessment, performance analysis, job/ task analysis, learner's analysis, content analysis, skill gap analysis; 2) design phase which includes stating training objectives, designing project, training scheduling, managing training project and designing blue prints and prototypes for training; 3) Development phase which includes drafting and creating reading materials, audio visual aids, videos, softwares and also tests and feedback instruments; 4) implementation phase which includes the classroom or non- classroom delivery and training of trainers. Lastly 5) evaluation phase which includes evaluating trainees reaction, evaluating learning evaluating transfer of trained skills and evaluating the results of training. In order to get most benefits, all the five phases of training system need to be designed and implemented carefully to ensure that the training meets the organizational needs to change as well as to fulfill the expectation of individual trainee. These processes form a continuous cycle which always begins with need assessment. Training professionals generally focus on the designing, development and implementation phase of training. Despite the seemingly universal agreement that a thorough training need analysis should underpin all training plans and budgets, it does not often take place in the appropriate manner and is often not properly done in organizations.

### Research Design

The study is based on exploratory research design and later on converted into descriptive research design. A structured questionnaire was designed on the basis of data generated from interviews of experienced managers and training experts of various organizations on Likert's five point scale i.e. from one to five- five is for strongly agree and one is for strongly disagree. Three was for neutral response. Two for

disagree and four for agree. The drafted questionnaire was pre- tested among some public and private sector bank branches. During this pilot study, some suggestions and comments from the experienced managers of SBI and PNB were taken. The final tested questionnaire, written in English (being only the medium of communication) was hand – delivered to 700 respondents working as branch managers in various branches of public and private sector banks. But only 458 of the respondents filled and returned filled questionnaires. Respondents are selected from HDFC Bank, Axis Bank, ICICI Bank, Federal Bank, Indus Ind Bank, Kotak Mahindra Bank, J,&K Bank, Bank of Rajasthan, UCO Bank and State Bank of Patiala.

### Research Methodology:

Data collected through questionnaire were processed with the objective to find whether or not any difference exists between private and public sector banks in Assessment of Training and Development needs. Then, taking two representative banks namely Axis bank( private sector) and Punjab and Sind Bank (public sector), detailed analysis on six response factors has been carried out to identify factors for which difference/similarities of pattern could have occurred on the Assessment of Training and Development needs between two types of banks. Following null hypothesis is tested using T –test.

Ho: There is no significant difference in Proceedings in Assessment of Training & Development needs of middle level managers of both private and public sector banks.

Ha : There is significant difference in Proceedings in Assessment of Training & Development needs of middle level managers of both private and public sector banks.

**Results:** The analysis of the above table shows that there were significant differences between the average response of the respondents from the both private and public sector banks on issues of Proceedings in Assessment of Training & Development needs of middle level managers. Statistically p-values obtained for them were very low i.e. less than 0.05. Thus we reject the null hypothesis

and accept the alternative hypothesis e.g. there is significant difference in Proceedings in Assessment

of training & development needs of middle level managers of both private and public sector banks.

**Results: Comparative Analysis of Private – Public Sector Banks with respect to Performance gaps**

Table 1.1 : Comparative Analysis of Private – Public Sector Banks with respect to Proceedings In the Assessment of training & development needs						
Comparative analysis of performance gaps of Private & public sector banks	Banks	No.	Mean	Std. Deviation	t-test (456 df)	p-value
Proceedings In Assessment of training & development needs	Private	229	2.7409	.46576	-4.514	0.00
	Public	229	2.9622	.57716		

**Note:** Data analysis and interpretation

(Only Details of Axis Bank and State Bank of Patiala are shown in the following table).

**AXIS BANK**  
**Summary statistics table 1.2 : Axis Bank**  
**Summary Statistics for Axis Bank for section C of questionnaire**

Factors	Range	1st quartile	Median	Mean	Mode	3rd quartile
1. Top management participation	1 – 5	1	2	2.5	2	4
2. Employee's suggestions	1 – 5	2	2	2.4	2	4
3. Systematic & seriousness in assessment	1 – 5	1	2	2.7	2	4
4. Strengths and weaknesses	1 – 5	1	3	2.7	3	4

Factors	Range	1st quartile	Median	Mean	Mode	3rd quartile
5. Encouragement by top management	1 – 5	2	4	3.4	4	5
6. Proper climate	2 – 5	4	4	3.8	4	4

**Interpretation (AXIS Bank) :** The analysis of the summary statistical table showed that the respondents disagreed for the factors 1 to 3. There was one neutral response for factor 4 and for the rest of the factors 5 and 6 the respondents were on

agreement on the likert scale. Similarly, graphical analysis was done for the factors and it was found that all the factors were showing random pattern as responses were on each level of response scale as shown below;

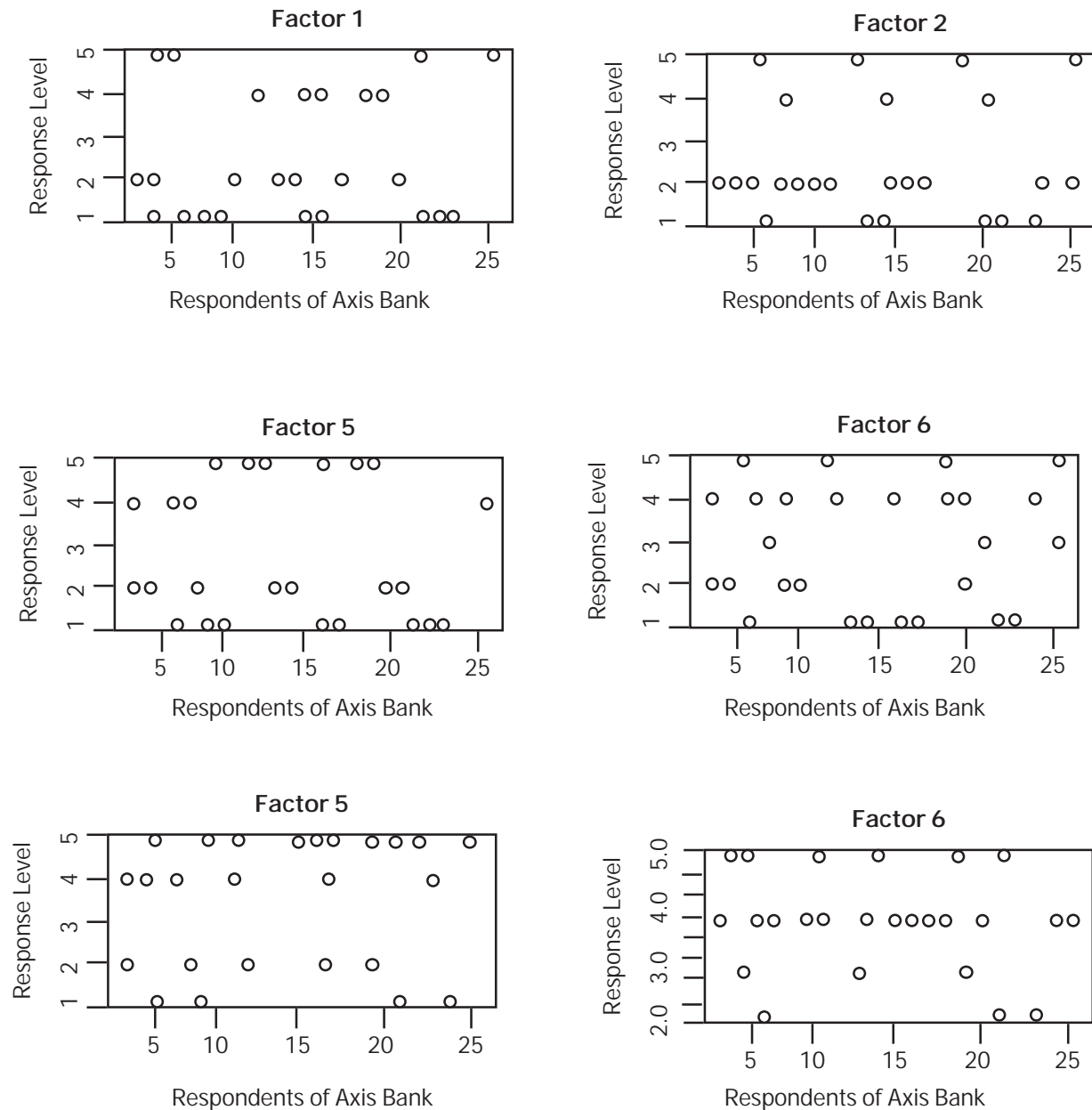
**Table1.3 Mann-Whitney Test**  
Do the average response of females and males differ significantly?

Proceedings in	Mann-Whitney U-statistics	U*	Sum of Ranks for females	Sum of Ranks for Males	P-Value	Result	Sample Size		Median		Mean	
							F	M	F	M	F	M
1.Top management participation	93	186	231	589	0.10	NS	9	31	2	1	2.6	1.7
2.Employee's suggestions	126	152	171	648	0.64	NS	9	31	1	2	1.7	1.7
3.Systematic & seriousness in assessment	108	170	215	604	0.29	NS	9	31	2	2	2.6	2
4.Strengths and weaknesses	116	163	208	612	0.38	NS	9	31	1	1	1.7	1.3
5. Encouragement by top management	120	159	204	616	0.48	NS	9	31	5	5	4.5	4.2
6. Proper climate	104	175	149	671	0.19	NS	9	31	4	5	4.1	4.6

**Interpretation (AXIS Bank) :** The analysis of the above table showed that the factors showing random pattern for the respondents of the Axis Bank were

not due to the difference of thinking of male or females as both sexes think in same direction and their might be some other reasons for the difference.

**Graph 1.4 :** Graphical analysis showing random pattern of respondents



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**Public Sector Banks**

**State Bank of Patiala**

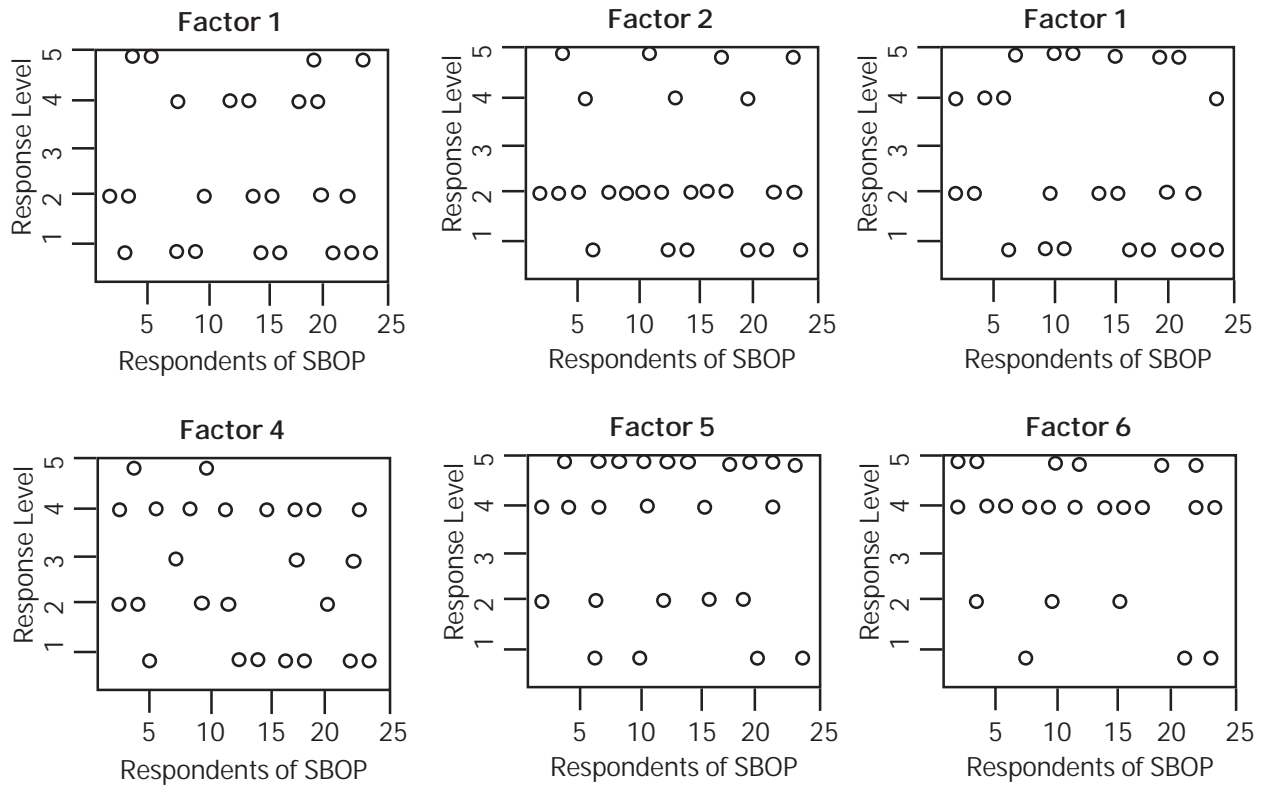
**Summary statistics table 1.5 for the State Bank of Patiala:**

Summary Statistics for SBOP for section C of questionnaire						
1. Top management participation	1 - 5	1	2	2.5	2	4
2. Employee's suggestions	1 - 5	2	2	2.4	2	4
3. Systematic & seriousness in assessment	1 - 5	1	2	2.7	2	4
4. Strengths and weaknesses	1 - 5	1	3	2.7	3	4
5. Encouragement by top management	1 - 5	2	4	3.5	4	5
6. Proper climate	2 - 5	4	4	3.8	4	4

**Interpretation (State Bank of Patiala)** : The analysis of the table shows that for first three factors respondents were found to disagree and for fourth factor they were neutral while for rest of the factors 5 and 6 they were in agreement. Also, further

graphical analysis of the factors showed all six factors were showing random pattern as responses were available on all levels of the response scale. They were analysed as further for their scatterness;

**Graph 1.6 : Graphical Analysis Showing Random Pattern of Respondents**



**Table 1.7 Mann-Whitney Test**  
**Do the average response of females and males differ significantly?**

Proceedings in the assessment of training and development needs	Mann-Whitney U-statistics	U*	Sum of Ranks for females	Sum of Ranks for Males	P-Value	Result	Sample Size		Median		Mean	
							F	M	F	M	F	M
Factor 1	41	42	52	272	0.99	NS	4	21	2.5	2	2.7	2.4
Factor 2	38	45	48	276	0.81	NS	4	21	2	2	2.5	2.5
Factor 3	37	46	56	268	0.75	NS	4	21	3	2	3	2.6
Factor 4	37	47	57	268	0.73	NS	4	21	3.5	2	3	2.6
Factor 5	32	51	42	282	0.48	NS	4	21	3	4	3	3.6
Factor 6	31	53	41	284	0.39	NS	4	21	4	4	3.5	3.9



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**Interpretation (State Bank of Patiala):** The analysis of the above table shows that the random pattern occurred in above discussed factors were not due to the effect of the sex parameter as both sexes were thinking in the same direction.

## Results and Discussion

Results on Table 1.1 are processed on the basis of all the banks mentioned in this section. The paper does not present the separate tabulated responses of all banks though as an illustration, results of one private and one public sector banks have been presented. Following is the summary of responses received from the sample employees of different banks.

**Private Sector banks :** This study has found out different opinions regarding proceedings in the assessment of training and development needs. For the assessment of training and development needs of the employees, proper research may include analyzing job descriptions, job specifications, succession plans etc.. For example, in the HDFC, bank employees disagreed for factors 1 to 4 i.e. 'no active participation of top management in assessment', 'employee's suggestions are not taken', 'assessment is routine work and rather than systematic and seriousness involved in the assessment' and 'no correspondence to strengths and weaknesses in the assessment'. For factors 5 and 6 the responses, as its first quartile values suggest, majority of responses were at level 4 or at 5 i.e. the respondents agreed on the responses such as 'middle level managers are encouraged by the top management to attend the training programs' and 'proper climate exists in the bank for assessing training and development needs'.

In the analysis of **AXIS Bank**, the respondents disagreed for the factors 1 to 3 with one neutral response for factor 4 and for the rest of the factors 5 and 6 the respondents were on the agreement on the likert scale. Similarly, graphical analysis showed that all the factors had random pattern. The analysis on the basis of Mann Whitney Test shows that the factors showing random pattern for the respondents of the Axis Bank were not due to the difference of thinking of the male or the females as both sexes think in same direction and their might be some other reasons for the difference. Analysis on **ICICI Bank** employees shows that the respondents disagreed on

all the factors of the questionnaire except for the factor 6 where they were found to agree. The analysis on **Federal Bank** showed that the majority of disagreement was found with responses on factors 1 to 4 and for the rest of the factors 5 and 6 they were found to agree. In the case of **Indus Bank** managers' analysis showed for factors 1 to 4 majorities of responses were at disagreement at levels 1-4 of the response scale and for factors 5 and 6 they were found to agree. Employees of both **Kotak Mahindra Bank** and **J & K Bank** show that the same responses as above. For **Bank of Rajasthan Bank**, the analysis showed somewhat different results such as disagreement on just two factors i.e. factor 1 and 2 and for the rest of the factors 3 to 6 they were found to agree.

## Public sector banks

For the **State Bank of Patiala**, respondents were found to have disagreed for first three factors and for the fourth factor they were neutral and for rest of the factors 5 and 6 they were in agreement. Also, further graphical analysis of the factors showed all six factors were showing random pattern. The analysis of the (Mann Whitney test, table 1.7) showed that the random pattern occurred in above discussed factors were not due to the effect of the parameter sexes as both sex male and female respondents were thinking in same direction. The analysis on **State Bank of India** employees showed that for all of the factors respondents were found to have disagreed except for the factor 6 where they were found to agree. Also, further graphical analysis of the factors showed random pattern was available among factor 4 and 5. Random pattern in their responses was not due to the parameter sex as both the male and the female think in same direction for both the factors. The analysis on the **Punjab & Sind Bank** showed that respondents were on disagreement on first five factors of the questionnaire except for the last factor for which they agreed. From the analysis of **OBC** employees, **respondents** were found to disagree on two factors and for factors 3 to 5 they agreed and were neutral for the factor 6. The analysis on **PNB** managers showed that respondents disagreed for the factors 1 to 4 and for factors 5 and 6 they were found to agree. For the **Syndicate Bank**, respondents disagreed on the factors 2, 4 and 6 whereas they agreed on the factors like 1, 3 and 5. In case of the

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**Bank of Maharashtra**, respondents disagreed on factors 1 and 2 and for rest of the factors 3 to 6 the respondents agreed. Managers of the **Co-operative Bank** disagreed on the factor 1 and 2 with neutral responses were available on factor 6 and for rest of the factors 3 to 5 they were found to agree. Also, on further graphical analysis, it was found that random pattern was discovered among the responses for the factors 1, 4 and 6. Random response pattern showed definitely for the factor 6 male and female respondents do think differently while for rest two factors both the sex think in same directions. The analysis on the **Bank of Baroda** showed that respondents disagreed on the factors 2 to 4 whereas for the factors 1, 5 and 6, majority responses agreed. For **UCO Bank**, the analysis showed that majority of respondents disagreed on the factors 1 and 2 whereas for the rest of the factors 3 to 6 they were found to agree.

### Conclusion

Mixed responses were received from almost all public banks as all banks in this category were found to agree on first two factors of the questionnaire and for 6<sup>th</sup> factor (proper climate) almost all bank's respondents agreed except for OBC and Co-op Bank where responses were neutral on this factor. Regarding factor 5 (encouragement by top management), only two banks disagreed i.e. SBI and PSB whereas rests of all banks disagreed on this factor. Factor 3 (systematic and seriousness in assessment) have shown clearly mixed results as half of the banks disagreed whereas other half of banks agreed. Similarly in case of fourth factor (in correspondence to strengths & weaknesses) again mixed responses were available for almost all banks. Also, the factors analysis of some specific banks showed the random pattern of responses having no important information coming out except for the Co-operative Bank where differences of opinion were found between males and females for the factor 6 (proper climate). The analysis on all private sector banks illustrates that for first four factors of the questionnaire, respondents of all the banks were in disagreement except for the Axis Bank for factor 4 (in correspondence to strengths & weaknesses) and 3 (systematic and seriousness in assessment), responses were neutral while Bank of Rajasthan's responses for factors 3 and 4 also were neutral. For the rest of the factors such as 5 and 6, all respondents of bank were found to agree. The analysis of the

factors for some specific banks shows that among those who showed random pattern, opinions between males and females e.g. factor 4 found to be the different in the case of ICICI Bank otherwise for rest of the factors responses of both sexes were in same direction for all banks.

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