

<https://doi.org/10.58419/gbs.v9i1.912310>

IMPACT OF TRAINING AND DEVELOPMENT ON ORGANIZATIONAL EFFECTIVENESS: A STUDY ON PRIVATE SECTOR BANK

NAVYA S.T.

*Research Scholar, Institute of Management Studies,
Davangere University, Karnataka
navyasusal95@gmail.com*

Dr. RAMESH CHANDRASHA

*Assistant Professor, Institute of Management Studies,
Davangere University, Karnataka
drrcmay@gmail.com*

ABSTRACT:

The term "organizational effectiveness" is well-known in the fields of business and research, and it is acknowledged as a tool to assess profitability and/or productivity. The effectiveness of the organization is significantly influenced by the employees. The expertise and potentiality needed to accomplish a specified task have changed as a sequel of technological refinements. Training and development are complimentary elements of a single process. Instead of being sequential and hierarchical, they are interconnected and dependent on one another. Any organization's performance is greatly influenced by its well-trained and developed workforce. Thereupon, the focus of this paper is to evaluate how training and development affect employees' performance and to look at how training and development relate to the organisational effectiveness. The primary data for this descriptive study was gathered by 50 HDFC Bank employees utilizing a standardised questionnaire. Data is collected using the simple random sample method, and SPSS is used for analysis. In this study, the main conclusions and their relevance are discussed.

Keywords: *Training and development, organizational effectiveness, employee performance, private bank.*

1. INTRODUCTION

Each and every organization's prime goal is to increase its performance, but this can never be achievable without effective employee's performance. Performance is the act of carrying out something or being productive (Sims, 2002). At the levels of the organization, process, and individuals, organizational performance is realized. Applying training and development methods help the organization attain its objective altogether while also benefiting the employees who contribute to that organization. The organized learning experience of employees show how to carry forward their present and future jobs which referred as training and development. The development of staff activities and support of them with regard to their physical qualities and

their ways of thinking toward subject areas (Fanibuyan, 2001). Ideas with the main goal of increasing productivity have become increasingly important in recent years. In other words, training is a set of activities that are provided to the staff in an effort to modify their own perspectives and their present knowledge of particular topics. In return training improves the staff performance and develop their abilities in order to benefit the needs of the organization.

The main objective in achieving the organization's goals is performance. The efficiency and effectiveness of the company will rise as a result of the employees' performance, which is beneficial for achieving the company's objectives (Samuel, 2018). Organization performance is a term that is frequently used in study and practice. This phrase dates back to the era of industrialization and scientific management in terms of the research field. Organizational effectiveness was once understood to be a technique for gauging production and/or profits.

Learning is accomplished by training and development, henceforth it may be delineated as an organizational resource that employee's can use to procure, infer, and apply knowledge. Performance as a sequel helps the organization to expand because the employees can put into practices the skills and knowledge they have gained via training & development (Neelam Tahir et al. 2014). Therefore, training & development should be viewed as a funding that provides overall returns and advantages to both businesses and employees, as well as a chance for progress. Training and development are implemented in order to support the organization's overall objective because they will benefit not only organizations but also to the people that configure that organization. Training & development enhances profitability of the organization while advancing more favorable perceptions towards profit making (Anwar et al. 2015). Each employee's job knowledge is enhanced by training and development, which also benefit them in identify with the organization's objectives.

2. LITERATURE REVIEW

Jaspreet Kaur (2021) depicted that the employees training and development is important aspect of human resource management to meet the organizational objectives. Training is a continuous process which leads to development of the employees in their work. Training and development benefits the employees in improving their skills and knowledge and reduces the attrition rate and in turn increases the retention rate. And this contributes to improve the performance of bank in the market place and increases the productivity. The findings indicated that the productivity in

banking sector is positively influenced by various aspects of training and development programmers.

Ingrid Zemburuka et al. (2020) discussed that the training is very old concept but still lives as it changes the employees' performance as well as organizational performance. The effective use of training and development program will improve the employees' competency along with performance because the training and development educate the employees' on how to perform their job effectively and help them to be ready for future responsibilities. The findings of the study indicates that there established a positive relationship training, development and employees' performance.

Ananthalakshmi Mahadevan et al. (2019) investigated how training techniques affected workers' performance in a Malaysian direct selling company. According to research, the key tasks in an organization to guarantee greater levels of competence with a competent workforce in order to continue and develop in a changing work climate is building a skilled and knowledgeable staff. Examining the effects of on and off-the-job employee training on their performance was the goal of this study. The findings indicated that this kind of training has greater impact on employee performance than on-the-job training.

Shafiq Sumaiya et al. (2017) explored how training & development affected worker job performance in a Malaysian private corporation. An organization's employees are one of its most valuable assets and contribute to its success. To improve employee performance, it is important to take account of their learning. The goal was to look into how job rotation, job enrichment, training methods affected performance of employees in the private businesses. The study indicated that, whereas other independent variables were shown to be not significant variables in influencing employee performance, job enrichment was only independent variable element that had a substantial positive result on dependent factor.

Philipina Ampomah (2016) asserted that a crucial element in raising employees' performance in organisations is training & development. The case analysis of Pentecost University College was used in this research to test impact of training & development on employees' performance in a private postsecondary institution at Ghana. According to the study, training motivates workers, and training and development boost the Pentecost University College's performance. There is no doubt that Pentecost University College has an established program to spend in the learning and development of its personnel. They also occasionally conducted training programmers for their

staff to keep up with the latest information and skills. The report suggested that mandatory training and development programmes should be implemented for all staff.

• .

3. RESEARCH METHODOLOGY:

The descriptive research design served as the basis for this study. Utilizing a simple random sampling technique, 50 HDFC bank employees who are working in the Karnataka state districts of Davangere and Chitradurga were chosen as the sample size. This research study makes use of both primary and secondary data. To establish the validity of the study, Likert scale was used to phrase subjective questions. The questionnaire was filled out by employees for this study. We gathered secondary information from online resources. Data analysis was done with the aid of statistical tools.

3.1. STUDY OBJECTIVES

- To understand the dimensions of training and development.
- To evaluate the impact of training and development on performance of employees.

To explore the relationship between training and development with organizational effectiveness

3.2. RESEARCH HYPOTHESIS:

H1: Training & development have a positive relationship towards employee's performance.

H2: Training & development have a positive relationship towards organizational effectiveness.

4. DISCUSSION

4.1. DIMENSIONS OF TRAINING & DEVELOPMENT

1. Orientation/Induction Training: This will be provided as soon as a new extension staff member is hired to acquaint with their position. This largely considers introducing new entry to the company. This training aim is to educate all new entries with the organization's objectives, culture, and other employment requirements.

2. Foundational Training: This is suited for newly hires; each and every employee need to have professional knowledge of the many regulations and rules of the government, as well as certain administrative, communication, and report-writing skills.

3. Job Instruction Training: Also known as "on-the-job" training, it is received while an employee is actively working. It is mostly used to direct employees on how to execute their

existing tasks. The trainer can be a manager or a fellow worker. This approach encompasses each one of the learning elements when it is properly carried out.

4. Career advancement: it is the continual development of knowledge and potentiality, including expertise and professional growth, along with professional planning activities. Professional development abilities are those that are above and above what is required for a work, even though they may subtly enhance job performance.

5. Refresher Training: This keeps employees updated and allows them to build on the information and abilities they currently possess.

5. DATA ANALYSIS AND INTERPRETATION:

5.1. RELIABILITY TEST

For a scale of higher than 0.7, Cronbach's Alpha coefficient is considered optimum. As a result, all of the reliability values in this research were greater than 0.7, which is higher than the permitted level. Table 1 displays the Cronbach's Alpha for all the variables.

Table 1: Cronbach's Alpha for all variables

Construct	Description	Items (in numbers)	Cronbach's alpha
Training & Development	Statements about the objectives of training and development	6	0.786
Employees Performance	Statements about how training and development impact on employees' performance	7	0.873
Organizational Effectiveness	Statements about the organizations effectiveness	5	0.819

Source: Primary Data

5.2. VALIDITY TEST

According to the guidelines, KMO value should be more than 0.7. The value of KMO, which is 0.713, satisfies the acceptability criteria of sampling for factor analysis, as shown in Table 2. Bartlett's test of sphericity was found to have significant with a $p < 0.001$, representing that the variables were sufficiently correlated.

TABLE 2: VALIDITY RESULT

Kaiser-Meyer-Olkin measure of sampling acceptance		0.794
Bartlett's Test of Sphericity	Approx. chi-square	111.697
	Df	3
	Sig.	0.000

Source: Primary Data

5.3. TESTING OF HYPOTHESIS:

The analysis of Pearson's correlation test was carried to test the significance between the independent and dependent variables. Table 3 shows that, correlation coefficients between Training & Development and Employees' Performance is 0.738 and correlation coefficients between Training & Development and organizational effectiveness is 0.703 were significant at a level of significance, $p < 0.01$. Hence alternative hypothesis's accepted and null hypothesis's rejected.

Table 3: Correlations Result

		Employee's performance	Organizational Effectiveness
Training & Development	Pearson Correlation	0.738**	0.703**
	Sig. (2 - tailed)	0.000	0.000
	N	50	50

***. Correlation is significant at the 0.01 level (2-tailed).*

Source: Primary Data

INTERPRETATION: The above finding shows that there exists a positive association between Training & Development and employees' performance and also between Training & Development and organizational effectiveness.

5.4. LIMITATION OF THE STUDY

The study is limited to one of the elements of human resource management, particularly in the area of training and development. This study was carried out in HDFC bank of Davangere and Chitradurga districts of Karnataka. There are 17 banks in these regions. Thirty percent banks were selected for data collection. It means that 5 banks were selected randomly. The questionnaires distributed among these five branches.

6. CONCLUSION

Though training and development is indeed an old concept, but it is still relevant because it affects both employee and organizational performance. Hence this study's main objective was to evaluate the impact of training & development upon organizational effectiveness and employee performance at HDFC bank of Davangere and Chitradurga districts of Karnataka state. 50 samples were used in the study's descriptive research approach. The correlation between training & development and both employees' performance and organizational effectiveness was well - established using correlation analysis. The study found a positive relation between training & development and organizational success as well as a positive association between training & development and employees' performance.

REFERENCES

1. Anwar, G., & Shukur, I. (2015). "The Impact of Training and Development on Job Satisfaction: A Case Study of Private Banks in Erbil". *International Journal of Social Sciences & Educational Studies*, 2(1), 65.
2. Asfaw, M. Argaw and L. Bayissa,(2015) "The Impact of Training and Development on Employee Performance and Effectiveness" A Case Study of District Five Administration Office, Bole Sub-City, Addis Ababa, Ethiopia, *Journal of Human Resource and Sustainability Studies*, Vol. 3, 188-202.
3. Fanibuyan, (2001), in Olusanya, S.O., Awotungase, S.A. and Ohadebere, E. C. (2012),"Training and Development, A Vital Tool for Organizational Effectiveness", *Journal of Business and Management*, 6(2) Nov-Dec, pp 48-57.
4. Haifa Aldhukair, & Malak Abunar. (2021). "Employee Training and Development for Improved Performance". *Pal Arch's Journal of Archaeology of Egypt/ Egyptology*, 18(12), 107-116. Retrieved from <https://archives.palarch.nl/index.php/jae/article/view/7852>
5. Ingrid Zemburuka and Fanuel Dangarembizi (2020) "An Assessment on the Impact of Training and Development on Employees' Performance in the Namibian Defence Force at Okahandja", *International Journal of Human Resource Studies*, ISSN 2162-3058, Vol. 10, No. 3

6. Kaur, Jaspreet. (2016). “Impact of Training and Development Programmers on the Productivity of Employees in the Banks”. *Journal of Strategic Human Resource Management*. 5. 10.21863/jshrm/2016.5.1.023.
7. Mahadevan, Ananthalakshmi, and Ming Hsiang Yap. (2019) “Impact of Training Methods on Employee Performance in a Direct Selling Organization, Malaysia.” *IOSR Journal of Business and Management (IOSR-JBM)*, vol. 21, no. 10,p. 8. [www.academia.edu,https://www.academia.edu/download/63343674/IOSR_paper_Training_320200_517-122700-19ky3i1.pdf](http://www.academia.edu/https://www.academia.edu/download/63343674/IOSR_paper_Training_320200_517-122700-19ky3i1.pdf).
8. Mozael, B. M. (2015). “Impact of Training and Development Programs on Employee Performance”. *International Journal of Scientific and Research Publications*, Volume 5, Issue 11
9. Neelam Tahir, and Others (2014) “The Impact of Training and Development on Employees Performance and Productivity: A case study of United Bank Limited Peshawar City, KPK, Pakistan”. *International Journal of Academic Research in Business and Social Sciences* April 2014, Vol. 4, No. 4. pp. 86-98.
10. Olumuyiwa, O. S., Adelaja, A. S., & Chukwuemeka, O. E. (2012). “Training and development, a vital tool for organizational effectiveness”. A case study of Sterling Bank Nigeria, 6(2), 49. <https://doi.org/10.9790/487X-0624857>
11. Philipina, (2016) “The Effect of Training and Development on Employee Performance in a Private Tertiary Institution in Ghana” (Case Study: Pentecost University College (Puc) - Ghana).” *Asian Journal of Social Sciences and Management Studies*, vol. 3, no.1, p. 5. <http://www.asianonlinejournals.com/index.php/AJSSMS>,
12. Ramakrishna, G., Kumar, K., Girdhar, M., & Krishnudu, C. H. (2012), “Effectiveness of Training and Development Programmes- A Case Study of Canara Bank Employees in Kurnool District”. *International Journal of Multidisciplinary Research*, 2(4), 150-162.
13. S. Aigbepue and E. Mammud. (2012), “Training, development and organizational performance”. *JORIND* 10 (3), December. ISSN 1596-8308.
14. Samwel, J. O. (2018). “Impact of employee training on organizational performance – Case study of drilling companies in Geita, Shinyanga and Mara Regions in Tanzania”. *International Journal of Managerial Studies and Research*, 6(1), 36-41. <https://doi.org/10.20431/2349-0349.0601005>

15. Sendawula, K., Kimuli, S. N., Bananuka, J., & Muganga, G. N. (2018). “Training, employee engagement and employee performance: Evidence from Uganda’s health sector”. *Cogent Business & Management Journal*, 5, 11.
16. Shafiq sumaiya, and Sahibzada Muhammad Hamza. (2017) “The effect of training and development on employee performance in private company, Malaysia.” *International Journal of Education, Learning and Training*, vol. 2, no. 2, p. 15.
17. Sims, R. (2002). *Organizational Success through Effective Human Resources Management*. Westport CT: Quorum Books
18. Waqar Younas. (2018) “The Impact of Training and Development on Employee Performance”. *IOSR Journal of Business and Management (IOSR-JBM)* 20.7: 20-23.
DOI: 10.9790/487X-2007042023. www.transcampus.org./journals,
www.ajol.info/journals/jorind