Impact of training and development programs on motivation of employees in “A” graded commercial bank of Nepal

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This research is aimed to study the impact of training and development programs on motivation of employees in banking sector. There are various factors like training and development where each factor contributes to overall employee motivation. This study concludes that training and development programs contribute greatly to employee's motivation. In line with the aim, Data collected through the questionnaires from Bank. The questionnaire was applied by visiting different bank through survey questionnaires. As the primary data indicates, there is positive relationship between the training and development programs and employee’s motivation. The results show that training and development programs have positive impact on motivation of employees in banking sector. Results of the study conclude that banks having good training and development programs for employees can enhance the motivation of employees. Training and development is one of the leading techniques of management development program in modern organizations. Significant number of studies on human resource management prose focuses the relationship between training and employee performance with its broader implication on organizational growth and profitability particularly the training effect in gaining sustained competitive advantages. This study aims to test the hypothesize relationship of training and organizational performance in Nepalese banking sector. A survey design approach was applied. A grade banks were selected randomly and 40 respondents from various banks participated in the survey. Likert scale questions were used for getting responses. Descriptive statistics and chi square analysis test were used for data analysis. The guidance technique taken individually and in group (formal, informal) was regress on turnover growth. Result long-established that the both incidence and strength of training has strong effect on organizational performances particularly the turnover growth. Interestingly the study found that the firms investing predominantly in formal training better performed than those relying on informal training. The firm size, organization structure and technology have moderate effect on training-performance relationship stressing for requisites of further research to confirm the cross sectional validity of findings rather than to its early generalizations

Keywords: Training and development programs, Employee's motivation, banking sector

Introduction

Enhanced capabilities, knowledge and skills of the talented workforce proved to be a major source of competitive advantage in a global market. Motivation and training commitment is necessary to perform well on the job which requires specific training programs. To prepare and perform their workers to do their job as desired, organizations provides training as to optimize their employee’s potential. To cope up uncertainties in future most of the firms are planning to apply invest and try to build new skills for managing future disaster of the company for improving the employee performance through superior level of motivation and commitment. When employees recognize their organization interest in them through offering training programs, they in turn apply their best efforts to achieve organizational goals, and show high performance on job. Employees are the most valuable asset of every company as they can make or break a company’s reputation and can adversely affect profitability. Every employees of the organization must be responsible for the all types of necessary work for customer satisfaction and to improve the quality of the products so training plays an important role in the banking sector for improving customer satisfaction. Without proper training, employees both new and current do not receive the information and develop the skill sets necessary for accomplishing their tasks at their maximum potential. Employees who experience proper training
tend to keep their jobs longer than those who do not. Training is a necessity in the workplace. Without it, employees don't have a firm grasp on their responsibilities or duties. Employee training refers to programs that provide workers with information, new skills, or professional development opportunities.

**Literature Review**

Training should be systematic, that is specifically designed, planned and implemented to meet defined needs. It is provided by people who know how to train and the impact of training is carefully evaluated (Armstrong 2006). Most of the benefits derived from training are easily attained when training is planned. This means that the organization, trainers and trainees are prepared for the training well in advance (Nassazi 2013).

Buckley and Caple (Buckley n.d.) revealed that training can be initiated in response to two kinds of training needs namely; reactive needs and proactive needs. Employee training has direct impact on productivity and growth (Chaudhary 2012). (Shahzadi 2014) reported a significant positive relationship between training and employee performance. (Singh 2014) Stated that both on-the-job and of-the-job training method have positive and significant relationship with employee performance. Harris (2012) (Reid 2012), researcher also noted that business ownership was influential, with non-owner managed companies significantly more likely to engage in formal training.

**III. Methodology of the Study**

There are three types of methodology used to collect data. Qualitative quantitative and mixed method. Researcher used quantitative method for collecting data. Measuring instruments Likert scale was used to measure the level of job satisfaction of the employees of NMB. The responses of respondents were categorized into five group and given them weight from minimum 1 to maximum 5; then assigned point 1 for the response (Extremely Agree, Agree, Neutral, Disagree, Extremely Disagree). By getting the responses on different organizational variables, the responses of each variable were multiplied by the own point, to get the overall value or consequence of each organizational variable. Then these values were used to calculate the chi square test is to measure the level of experience wise on different aspects. Likert scale is the measurement of attitudes designed to allow respondents to rate how strongly they agree or disagree with carefully constructed statements, ranging from very positive to very negative attitudes towards same object. In this study Likert scale was used to measure the job.

**V. Cronbach’s Alpha: Reliability Statistics**

To check the internal reliability of the instrument, Cronbach’s alpha was run. The value of Cronbach’s Alpha comes to 0.812 which is above the standard value proposed by (Nummally, 1978) of 0.70 this shows that our instrument is reliable and we can confidently apply different statistical tests and interpret the results with confidence.
Reliability Analysis is used to measure the accuracy of the facts, to ensure that all items used in each variable were free from errors and thus, providing consistent results. Cronbach’s alpha is the measurement. There are different reports about the acceptable values of alpha, ranging from 0.70 to 0.95. Above the table shows the Cronbach’s alpha and items of each dependent variable, namely job performance, while intrinsic rewards and extrinsic rewards, are independent variables. The Cronbach’s coefficients alpha values for all factors that range from 0.637 to 0.794 indicated good inter-items consistency for each factor. However, Hinton et al. (2004) have suggested four cut-off points for reliability, which includes excellent reliability (0.90 and above), high reliability (0.70-0.90), moderate reliability (0.50-0.70) and low reliability (0.50 and below).

### 4. Data Presentation and Analysis

The data collected was processed using the statistical package for social science (SPSS) for windows 22. The results of the study are shown in tables, percentage charts and graphs. Both qualitative and quantitative methods of data analysis were used for the study. The variables of interest to the researcher were motivation and job satisfaction and these were analyzed after analyzing the demographic description of respondents

**Demographic Analysis**

#### 4.1 Gender Respondents

![Gender Chart](chart.png)

**Interpretation**

The sample size of this study is 40 (respondents) for the study and is interestingly made up of 20% male and 20% female. Equal Portion of Male and Female in above analysis.
4.2 Marital Status

Marital Status

- Married: 55%
- Single: 45%

**Interpretation**
The Percentage of Married and Single is 55% male and 45% female out of 40 respondents.

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Job Status

- Permanent: 97%
- Temporary: 3%

**Interpretation**
The Percentage of permanent is 97% and the percentage of Temporary is 3% out of 40 respondents.
4.3 Chi – Square Analysis (Job Experience vs. Training and Development)

Chi-squared test, also written as $\chi^2$ test, is any statistical hypothesis test where the sampling distribution of the test statistic is a chi-squared distribution when the null hypothesis is true. The chi-squared test is used to determine whether there is a significant difference between the expected frequencies and the observed frequencies in one or more categories.

**Job experience with other variables**

Hypothesis H1: - There is significant relationship between job experience and other variables

Dependent Variable: - Job Experience

Independent Variable: - other variables

<table>
<thead>
<tr>
<th>S.no</th>
<th>Training and development programs on motivation.</th>
<th>Extremely Agree (1)</th>
<th>Agree (2)</th>
<th>Neutral (3)</th>
<th>Disagree (4)</th>
<th>Extremely Disagree (5)</th>
<th>Chi Square</th>
<th>P value</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Training is important motivational factor for me.</td>
<td>20(50%)</td>
<td>20(50%)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2.429</td>
<td>0.05</td>
<td>We accept the hypothesis as Chi-Square value is 0.05 that is less than 0.05.</td>
</tr>
<tr>
<td>2.</td>
<td>Training provides development in my talents.</td>
<td>10(25%)</td>
<td>25(62.5%)</td>
<td>5(12.5%)</td>
<td>0</td>
<td>0</td>
<td>2.679</td>
<td>0.026</td>
<td>We accept the hypothesis as Chi-Square value is 0.026 that is less than 0.05.</td>
</tr>
<tr>
<td>3.</td>
<td>Training for development course increase my performance in bank.</td>
<td>8(20%)</td>
<td>24(60%)</td>
<td>5(17.5%)</td>
<td>1(2.5%)</td>
<td>0</td>
<td>4.821</td>
<td>0.03</td>
<td>We accept the hypothesis as Chi-Square value is 0.03 that is less than 0.05.</td>
</tr>
<tr>
<td>4.</td>
<td>Training and development program improves my technical knowledge.</td>
<td>11(27.5%)</td>
<td>26(65%)</td>
<td>3(7.5%)</td>
<td>0</td>
<td>0</td>
<td>1.802</td>
<td>0.04</td>
<td>We accept the hypothesis as Chi-Square value is 0.04 that is less than 0.05.</td>
</tr>
<tr>
<td>5.</td>
<td>Training improves my quality in day to day work.</td>
<td>14(35%)</td>
<td>18(45%)</td>
<td>6(15%)</td>
<td>2(5%)</td>
<td>0</td>
<td>3.701</td>
<td>0.03</td>
<td>We accept the hypothesis as Chi-Square value is 0.093 that is less than 0.05.</td>
</tr>
<tr>
<td>6.</td>
<td>My bank provide on the job and off the job training programs.</td>
<td>7(17.5%)</td>
<td>25(62.5%)</td>
<td>5(12.5%)</td>
<td>2(5%)</td>
<td>1(2.5%)</td>
<td>1.875</td>
<td>.02</td>
<td>We accept the hypothesis as Chi-Square value is 0.093 that is less than 0.05.</td>
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</tr>
<tr>
<td><strong>7.</strong></td>
<td>I am stress free in my work with enough training given to me.</td>
<td>18(45%)</td>
<td>22(55%)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3.750</td>
<td>.041</td>
<td>We accept the hypothesis as Chi-Square value is 0.093 that is less than 0.05.</td>
</tr>
<tr>
<td><strong>8.</strong></td>
<td>Training programs are organized frequently in my bank.</td>
<td>18(45%)</td>
<td>20(50%)</td>
<td>2(5%)</td>
<td>0</td>
<td>0</td>
<td>3.111</td>
<td>.01</td>
<td>We accept the hypothesis as Chi-Square value is 0.093 that is more than 0.05.</td>
</tr>
<tr>
<td><strong>9.</strong></td>
<td>Training helps in efficiency and effectiveness in my duty.</td>
<td>19(47.5%)</td>
<td>17(42.5%)</td>
<td>3(7.5%)</td>
<td>1(2.5%)</td>
<td>0</td>
<td>4.160</td>
<td>.03</td>
<td>We accept the hypothesis as Chi-Square value is 0.042 that is less than 0.05.</td>
</tr>
<tr>
<td><strong>10.</strong></td>
<td>Training and development program improves my productivity speed.</td>
<td>16(40%)</td>
<td>22(55%)</td>
<td>2(5%)</td>
<td>0</td>
<td>0</td>
<td>3.214</td>
<td>.03</td>
<td>We accept the hypothesis as Chi-Square value is 0.093 that is more than 0.05.</td>
</tr>
<tr>
<td><strong>11.</strong></td>
<td>Training program help me to analyze my skill gap.</td>
<td>9(22.5%)</td>
<td>22(55%)</td>
<td>5(12.5%)</td>
<td>4(10%)</td>
<td>0</td>
<td>2.532</td>
<td>.04</td>
<td>We accept the hypothesis as Chi-Square value is 0.04 that is less than 0.05.</td>
</tr>
<tr>
<td><strong>12.</strong></td>
<td>Training programs improve my performance level in my existing role.</td>
<td>2(5%)</td>
<td>11(27.5%)</td>
<td>18(45%)</td>
<td>8(20%)</td>
<td>1(2.5%)</td>
<td>6.897</td>
<td>.003</td>
<td>We accept the hypothesis as Chi-Square value is 0.093 that is less than 0.05.</td>
</tr>
<tr>
<td><strong>13.</strong></td>
<td>I am be eligible for higher post in my bank.</td>
<td>5(12.5%)</td>
<td>23(57.5%)</td>
<td>6(15%)</td>
<td>5(12.5%)</td>
<td>1(2.5%)</td>
<td>6.897</td>
<td>.04</td>
<td>We accept the hypothesis as Chi-Square value is 0.04 that is less than 0.05.</td>
</tr>
<tr>
<td><strong>14.</strong></td>
<td>Training helps in job satisfaction and improves my morale.</td>
<td>12(30%)</td>
<td>22(55%)</td>
<td>6(15%)</td>
<td>0</td>
<td>0</td>
<td>0.759</td>
<td>.0200</td>
<td>We accept the hypothesis as Chi-Square value is 0.020 that is less than 0.05.</td>
</tr>
<tr>
<td><strong>15.</strong></td>
<td>I can deal with challenges that arise in my bank.</td>
<td>12(30%)</td>
<td>23(57.5%)</td>
<td>4(10%)</td>
<td>1(2.5%)</td>
<td>0</td>
<td>1.071</td>
<td>.02</td>
<td>We accept the hypothesis as Chi-Square value is 0.02 that is more than 0.05.</td>
</tr>
</tbody>
</table>

**Interpretation**

Training is teaching, or developing in oneself or others, any skills and knowledge that relate to specific useful competencies. Training has specific goals of improving one's capability, capacity, productivity and performance. Training presents a prime opportunity to expand the knowledge base of all employees, but many employers find the development opportunities expensive. Employees also miss out on
work time while attending training sessions, which may delay the completion of projects. Despite the potential drawbacks, training and development provides both the company as a whole and the individual employees with benefits that make the cost and time a worthwhile investment. Training is an important motivational factor. Provides development in my talents. Training for development course increase my performance in bank, training provides development, training and development programs can improve technical knowledge, stress with working life, different programs are organize in the bank, training programs improves the productivity speeds, can analyze skill gap between employees, improves performance. Most of the people are agrees with the training and development programs held at banks for improving working performance of staffs. While analyzing chi-square test the most of the test are significant while analyzing with Job experience with different variables as presented in the above data. All of the data have significant relationship between Job experience and all other variables.

CONCLUSION

The main objective of every training session is to add value to the performance of the employees; hence all type of businesses design training and development programs of their employees as a continuous activity. The reason of training is what employees would attain after experiencing the training program. Some of the organizations plan and implement the training program for their employees without identifying the purpose and objectives and without knowing what the knowledge, skills and abilities employees would learn at the end of the training program and whether they will be able to attain performance targets on job. All the company must have to design the training program with clear goals and objectives while keeping in mind the particular needs of both individual and the firm. This study in hand chiefly focuses on the role of training in enhancing the performance of the employees. Training plays vital role in the building of competencies of new as well as current employees to perform their job in an effective way. It also prepares employees to hold future position in an organization with full capabilities and helps to overcome the deficiencies in any job related area. Training is considered as that sort of investment by the firm that not only brings high return on investment but also supports to achieve competitive advantage. Employees referred as the rare, non-imitable and valuable resource of the firm and the success or failure of any business mainly relies on its employee’s performance. The organizations realizing the fact are willing to invest in training programs for the development of their employees. Effective training is considered to be a key factor for improved performance; as it can enhance the level of employee and firm competency. It supports to fill the gap between what performance if required and what performance is happening, i.e. gap between desired performance and actual employee performance. Training need referred to any shortage in performance, which can be relieved by appropriate training. There are different methods of overcoming shortage in employee performance on job, and training is one of them. Particularly training develops skills, competency, and ability and ultimately improves employee performance and organizational productivity. Training programs is the stimulant that workers require to improve their performance and capabilities, which consequently increase organizational productivity. The training should be designed on the basis of firm specific needs and objectives. Effective training is the thoughtful intervention designed at attaining the learning necessary for upgraded employee performance. The research confirmed the proposition that training has a positive impact on employee performance.
References


Buckley, R and Caple, J. "The Theory and Practice of Training." no. 6th.


