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# **THE EFFECTIVENESS OF TRAINING ON BASIC CREDIT MANAGEMENT - A STUDY IN THE FEDERAL BANK LIMITED**

**BY  
JISSPRIYA JOHN  
(2014-31-134)**

## **MAJOR PROJECT REPORT**

Submitted in partial fulfillment of the  
requirements for the post graduate degree of

## **MBA IN AGRIBUSINESS MANAGEMENT**

**Faculty of Agriculture**

**Kerala Agricultural University**



**COLLEGE OF CO-OPERATION, BANKING AND MANAGEMENT**

**VELLANIKKARA, THRISSUR-680656**

**KERALA, INDIA**

**2016**

## *Declaration*


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## DECLARATION

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I, hereby declare that this project report entitled '**THE EFFECTIVENESS OF TRAINING ON BASIC CREDIT MANAGEMENT: A STUDY IN THE FEDERAL BANK LIMITED**' is a bonafide record of work done by me during the course of project work and that it has not previously formed the basis for the award to me for any degree/diploma, associateship, fellowship or other similar title of any other University or Society.

Vellanikkara  
18-08-2016

  
**JISSPRIYA JOHN**  
(2014-31-134)

*Certificate*

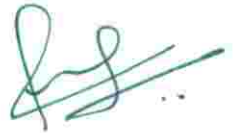
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**CERTIFICATE**

Certified that this project report entitled '**THE EFFECTIVENESS OF TRAINING ON BASIC CREDIT MANAGEMENT: A STUDY IN THE FEDERAL BANK LIMITED**' is a record of major project work done independently by Ms. JISSPRIYA JOHN under my guidance and supervision and that it has not previously formed the basis for the award of any degree, fellowship or associateship to her.

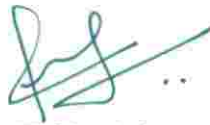
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**Dr.A.K.Sherief**  
Director Center for E- Learning  
Kerala Agricultural University  
(Supervising Guide)

## CERTIFICATE

We, the undersigned members of the advisory committee of Ms. JISSPRIYA JOHN, a candidate for the degree of MBA in Agribusiness Management, agree that the project work entitled '**THE EFFECTIVENESS OF TRAINING ON BASIC CREDIT MANAGEMENT: A STUDY IN THE FEDERAL BANK LIMITED**' may be submitted by Ms. JISSPRIYA JOHN, in partial fulfillment of the requirement for the degree..



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HR - Talent Acquisition & Deployment

HR.TAD/C/F55/2548/2016

06<sup>th</sup> June 2016

*To whomsoever it may concern*

*Certified that Kum. Jisspriya John, Student of MBA, Kerala Agricultural University, Vellanikkara, KAV P O, Thrissur, 680656 has done her Project work in the Bank for a period from 21.03.2016 to 10.05.2016. The subject for the project work was "A Study on the Effectiveness of Training on Job Performance of Employees of The Federal Bank Ltd".*

*Kum. Jisspriya John has evinced keen interest during the period of her project work in the Bank.*

  
Thomas M A

Assistant General Manager



## *Acknowledgement*

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*I would also use this opportunity to beg pardon to all those who have ever been hurt, knowingly or unknowingly by my words and deeds.*

*For any errors or inadequacies that may remain in this work, of course, the responsibility is entirely my own. . .*

  
**JISSPRIYA JOHN**

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*Chapter - 1*

*Design of the study*

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## Chapter - 1

### DESIGN OF THE STUDY

#### 1.1 Introduction

Training is about the acquisition of knowledge, skills, and abilities through professional development and leading to skilled behaviour. Training is about knowing where you stand at present, and where you will be after some point of time. "It's not where you want to go, but it knows how to get there".

Training has the distinct role in the achievement of an organizational goal by incorporating the interests of organization and the workforce (Stone, 2002). Training is the most important factor in the business world because training increases the job performance and the effectiveness of both employees and the organization. In an organization, performance is realized at the levels of organization, process and individuals and the interrelationships among these will define the vantage points of the organization. The indisputable reason why training of employees should be a revolving undertaking is changes posed by modern technology. Changes take place every minute, hour, day etc, and the world is faced with an era of technological advancements that can make already acquired skills obsolete. Training therefore is not restricted to new employees or old employees, but to both, and even to Senior Management Personnel.

Training brightens employee's attitude towards their works. It improves job performance. The main purpose of the study is to analyze the effectiveness of basic credit management training of 1-week duration given to the branch managers of federal bank limited.

Basic credit management programmes are technical programmes coming under assignment specific programme. Assignment specific programme are conducted with a view to develop skill sets in the concerned domain. It may be basic programme, advanced or credit refresher programmes. In the basic level of credit, training the participants will acquire the concepts of analysis of a balance sheet as well as ratio analysis. Working capital management is also given along with assessment of term loans and non fund financing. Agricultural financing is another aspect covered in this programme.

### *1.1.1 The main purpose of training programme:*

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- I. To equip first time branch heads and second line officers to handle credit.
- II. To familiarize policies and procedures for faster quality delivery of MSE, retail, and Agri- advances in a branch.
- III. To equip participants to sourcing credit with confidence, prepare credit proposals, and present to credit hubs with maximum qualitative data for faster and effective credit delivery.
- IV. Support credit growth of the bank by equipping field level functionaries in dealing credit.

Federal bank imparts learning /training through the modes of delivery according to the 70:20:10 learning concept. It includes the classroom training programme consisting of the induction programmes, refresher programme, specialized programmes based on business needs and individual needs and one day activity based programmes. The modes of delivery also includes symposium/workshops, E-learning and on the job training.

The aim of the study is to analyze effectiveness of basic credit management training programme, with a view to suggest measures for redesigning it.

### **1.2 Background of the study**

Federal bank is a leading private sector bank with a branch network of 1,252 branches and 1,548 ATMs spread across the country. The bank's total business mix (deposits + advances) stands at Rs 1.22 lakh crore as at march 31, 2015 and it has earned a net profit of Rs 1005.75 crore. Federal bank has its representative office at Abudhabi that serves as a nerve centre for NRI customers in the UAE. Federal bank is transforming itself, keeping its principles intact, into an organization that offers services beyond par. It has a well defined vision for the future as a guidepost to its progress.

#### ***The federal bank limited***

The history of federal bank dates back to the pre independence era. Though it was initially known as the Travancore Federal Bank. The bank started with an auction-chitty business along with other banking transactions related to agriculture and industry. In the year 1945, the paid-up capital of the bank touched rs.71000 and a new board of directors was

constituted. During this period, the bank also incorporated new articles of association. The same year its branch was opened at Aluva. Subsequently, federal bank came with its branches in Angamaly (1946) and Perumbavoor (1947).

However, it came with a massive expansion plan in the years 1975 and 1976 by opening 53 and 42 branches respectively. From that time onwards till today, the bank has continued to incorporate the effective changes to ensure smooth banking experience for its customers.

***Vision***

- Be a "customer-centric" organization, setting standards for customer experience.
- Be the 'trusted' partner of choice for target (SME, retail, NRI) customers.
- Offer innovative yet simple products supported by state-of-the art technology.
- Have a dynamic and energized workforce with a strong sense of belonging.
- Deliver top tier financial performance and superior value to stakeholders.
- Be a role model for corporate governance and social responsibility.

***Mission***

“Devote balanced attention to the interests and expectations of stakeholders, and in particular

***K.P. Hormis, The founder***

Late Kulangara Paulo Hormis, the visionary banker was born on 18 October 1917 at Mookkannoor; a small village in the suburbs of greater Cochin, in a traditional agrarian family. He started his career as an advocate in the munisiff court of Perumbavoor. The law profession could not satisfy the entrepreneur in late Hormis and so he gravitated to commercial banking.

The bank, in its journey towards excellence and to become the most admired bank in the industry, is committed to the stakeholders who include the employees, the customers, the shareholders, the investors, the board and the regulators. As in any progressive organization, a strong hr set up is the backbone of all activities. The mission of hr is to develop a competent and connected team which understands and strives to achieve the business and individual goals.

### ***Training & development activities***

The training & development activities of federal bank follow a training calendar approved by academic council which focuses on bank's business priorities and corporate vision. Bank is following a 70:20:10 learning model where 70% of learning happens on the job, 20% happens through research or feedback and 10% through training/learning programmes.

### ***Learning & development focus are:***

- Leadership development programmes.
- Talent pool creation.
- Certification programmes - internal & external & e-learning.

### **1.3 Statement of problem**

Federal bank conducts various training programmes of different duration in every year. They conduct training on multiple topics like refresher training, induction programme, technical programmes etc. In addition, they have four programmes under the technical training programmes. "Basic credit management" is a training programme under technical management with eight credits (8 programmes per year of 1-week duration).

However, no empirical study has been conducted to analyze the effectiveness of training on basic credit management so far. Hence, this research is taken up to fill that knowledge gap.



## 1.4 Objectives of the study

- I. To study the effectiveness of 'basic credit management' training programme of Federal Bank employees.
  - a. To analyze the training environment.
  - b. Analyze the perceived improvement in job performance
- II. To suggest measures (if any) to improve training programmes.

## 1.5 Methodology

### 1.5.1 Period of study

The basic credit management (one week duration) training programmes conducted during the period of July-December of 2015 is selected for the study.

### 1.5.2 Design of study

Survey research design is selected for the study.

### 1.5.3 Data collection

The study was based on primary as well as secondary data.

#### *a. Primary data:*

Primary data includes the responses from managers or branch heads at different branches of federal bank who had attended the "basic credit management" training programme of 2015 (last six programmes).

#### *b. Secondary data:*

Secondary data were collected from company website, previous reports, organizational manuals, journals and other online source.

### 1.5.4 Sample size and method of sampling

A convenience sampling (non-probability sampling) is adopted. It involves sample being drawn from the part of population which is close to hand.

197 trainees participated in the “basic credit management” training programmes during the period July –December 2015. From this, a sample size of 80 (40% of total population) trainees will be selected for the study.

#### ***1.5.5 Tools used for data collection***

- I. Mailed questionnaire
- II. Interview schedule
- III. Secondary data collected from company website, previous reports, organizational manuals, journals and other online source

#### ***1.5.6 Data analysis***

Quantitative data analysis is done by using simple descriptive statistical tools like mean, frequency, percentage and chi-square test.

Qualitative data analysis made through narration and interpretation.

- I. The analysis done using statistical package for social sciences (SPSS) the summary of result will be presented using descriptive statistics such as mean, median, mode, frequency and percentage.
- II. Using trainers satisfaction index -Likert scale
- III. Pearson chi-square test, factor analysis, indices and correlation were used to study the effectiveness of training on job performance.
- IV. Tables, charts and graphs used to ensure easy understanding of the analyses.

#### **1.6 Observations made**

- I. Content and coverage of the training programmes.
- II. Delivery of training programme by trainers.
- III. Methodology of training programmes.
- IV. The elements of training like need assessment, participant selection, curriculum development, allocating resource personnel, organizing facilities, delivery of training, evaluation process.

- V. A profile study of (trainees) managers, who have undertaken the basic credit training programmes during the period.
- VI. Perceived improvements in job performance.

### **1.7 Significance of the study**

The study helped to understand the relevance of various training programmes of “basic credit management” conducted by federal bank (FKDC) entrusted with the supreme task of technology assessment and refinement through training programmes.

### **1.8 Scope**

The organization for the study is federal bank limited. The study conducted at branches of federal bank limited across Kerala and the federal knowledge and development centre Aluva. The motive behind this study is to understand the role of various training programmes in the effective growth of federal bank activities. The study mainly focuses on training content delivered, trainer’s efficiency .employees job performance etc. The study helps in analyzing the effectiveness of training on job performance of bank employee.

### **1.9 Limitation**

- I. Since the study is confined to “basic credit management” of 1 week duration, a comparison with other training programmes is not possible
- II. The data collection focused upon the branch heads and second line officers at federal bank, so the process completely depends upon the availability and convenience of the managers.
- III. The responses of the trainees were based on their individual perceptions so the study completely subjective in nature.

## 1.10 Chapter plan of the project work

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### **Chapter I:**

The first chapter deal about the introduction, background of the study, statement of the problem, objectives, methodology, significance of the study, scope of the study and limitation of the study.

### **Chapter II**

The second chapter deals about review of literature covering the importance of training programme, types of training programmes, training evaluation, effectiveness of training on employee performance, and theoretical framework etc.

### **Chapter III**

The third chapter deals about the organizational profile of 'the federal bank limited'.

### **Chapter IV**

The fourth chapter deals about the data analysis and interpretation.

### **Chapter V**

The fifth chapter deals about the summary of Findings, Suggestions and Conclusions.

*Chapter - 2*

*Review of literature*

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## REVIEW OF LITERATURE

A literature review is an evaluative report of information found in the literature related to your selected area of study. The review should describe, summarise, evaluate and clarify this literature. It should give a theoretical base for the research and help to determine the nature of your research. The review of the available literature related to various aspects of training programmes conducted in different organizations were collected and classified. The review has been included importance of training programme, and its effectiveness on job performance.

Human resource management is the way organizations manage their staff and help them to develop in order to be able to execute organizations' missions and goals successfully (Mc Court, 2003).

Human resource development is the integration of individual, career and organization development roles in order to achieve maximum productivity, 13 quality, opportunity and fulfillment of organizations members as they work to accomplish the goals of the organization (Pace, Smith & Mills, 1991).

Training is a type of activity which is planned, systematic and it results in enhanced level of skill, knowledge and competency that are necessary to perform work effectively (Gordon, 1992). Employee performance is defined as the outcome or contribution of employees to make them attain goals while performance may be used to define what an organization has accomplished with respect to the process, results, relevance and success define performance as the achievement of specific tasks measured against predetermined or identified standards of accuracy, completeness, cost and speed. Employee performance can be manifested in improvement in production, easiness in using the new technology, highly motivated workers and high productivity.

### 2.1 Importance of training programmes:-

Oatey (1970) in his study suggests that training improves a person's skill at a task. Training helps in socially, intellectually and mentally developing an employee, which is very essential in facilitating not only the level of productivity but also the development of

personnel in any organization. As jobs are becoming more and more complex, it becomes imperative for employers of labour to train their workers unlike when jobs were simple and little technical knowledge was required from the workers. Manpower training and development are two interrelated processes whose importance cannot be overemphasized in any discussion of strategic human resource management as this relate to series of activities, which an enterprise would need to embark upon to improve the quality of its managerial capital.

Yoder (1970) in his study viewed that training and development in today's employment setting is far more appropriate than training alone since human resources can exert their full potentials only when the learning process goes far beyond the simple routine. Manpower development has been described as the systematic process which an organization has to go through to ensure that it has the effective managers it requires to meet its present and future needs.

Kane (1986) made a remarkable observation in his study that if the training and development function is to be effective in the future, it will need to move beyond its concern with techniques and traditional roles. This more strategic view-point should be of use in assessing current efforts as well as when planning for the future.

Raymond (1986) based on his studies told that the influences of trainees' characteristics on training effectiveness have focused on the level of ability necessary to learn program content. Motivational and environmental influences of training effectiveness have received little attention. This analysis integrates important motivational and situational factors from organizational behaviour theory and research into a model which describes how trainees' attributes may influence the effectiveness of training.

The process of training and development is a continuous one. The need to perform one's job efficiently and the need to know how to lead others are sufficient reasons for training and development and the desire to meet organizations objectives of higher productivity, makes it absolutely compulsory.

According to Oribabor (2000) training and development aim at developing competencies such as technical, human, conceptual and managerial for the furtherance of individual and organization growth. Training is a form of specialized education aimed at

giving the trainee a particular or specialized knowledge, skill and attitude which he must possess to effectively perform in a given position. Development is concerned with specific programmes designed to prepare and groom a worker with particular education and training for higher responsibilities.

As suggested by him, the main goal of training is to provide, obtain and improve the necessary skills in order to help organizations achieve their goals and create competitive advantage by adding value to their key resources – i.e. Managers.

Chi and lee (2008) in their study mentioned that training programme is dependent on the following parameters for its success (i) perceived value of leaning programme (ii) attitude to teacher (iii) response to learning conditions (iv) desire to learn: the degree to which trainees really want to learn and do well.) Training is a specialized process through which one learns to perform direct tasks of varying complexity and acquire expected job behaviors. Thus training is an organized procedure by which people learn and acquire knowledge and skills for a definite purpose, and a continual process of helping employees to perform at a high level.

Bates and Davis (2010) told that the usefulness of training programme is possible only when the trainee is able to practice the theoretical aspects learned in training programme in actual work environment. They highlighted the use of role playing, cases, simulation, mediated exercises, and computer based learning to provide exposure to a current and relevant body of knowledge and real world situations.

Kalaiselvan and Naachimuthu (2011) studied on the aspects of training cost and business benefits. Training cost and business benefits were drawn on x and y axis respectively. Four quadrants were identified to highlight (i) strategic (lower training cost and higher business benefits), (ii) payback (higher training cost and higher business benefits) (iii) think (lower training cost and lower business benefits) (iv) drop (higher training cost and higher business benefits). Karthik (2012) suggested that training objectives tell the trainee that what is expected out of him at the end of the training program. Training objectives are of great significance from a number of stakeholder perspectives; trainer, trainee, designer, evaluator.



## 2.2 Training design and evaluation

The focus of this session is on the literature study which was conducted to establish the current status of research on training design and evaluation and to again place emphasis on the importance of training design and evaluation. The need to evaluate training interventions or programmes and the purpose of training evaluation are discussed. The emphasis is on the use of models for the design and evaluation of training and development interventions.

### 2.2.1 Definition of training evaluation

According to various authors (Goldstein, 1993; Horwitz, 1999) evaluation of training means different things to different people. There does not seem to be a consistent definition of what training evaluation is amongst human resource professionals.

Horwitz (1999) refers specifically to performance-related training designed to develop competencies which impact directly on the bottom line by promoting flexibility and supporting innovation. If the learning derived from training is not associated with enhanced job performance or raised capability, the credibility of human resource development specialists and the process is at risk. It is therefore vital to identify and implement factors associated with human resource development effectiveness. A strategic approach to the transfer of learning raises an important, but often situational contingent question about roles, responsibility, accountability and performance management and reward systems for training (horwitz, 1999). The tendency to emphasize quantity of training - numbers trained and training expenditure - rather than the effectiveness of training and transfer remains problematic.

### 2.2.2 Purpose of training evaluation

According to Bramley (1997), evaluation completes the training cycle, is integral to the cycle and fulfils the key role of quality control of the cycle by providing feedback on the following: the effectiveness of the methods used; the achievement of the objectives by both students and trainers; and whether the need originally identified at both organisational and individual level has been satisfied. How effective the system is?.

Sims (1993) states that the goal of evaluation is to improve the training programme; provide feedback to the programme planners, managers and participants; and to assess employee skills levels. Training is evaluated because evaluation is one way in which trainers can assess their own effectiveness. From an administrative point of view, training is evaluated to justify the time and money spent on training.

### **2.3 Training effectiveness on job performance**

Many organisations have realized the importance of measuring the impact of training on their employees in order to determine the effectiveness of the training programmes. Some rationale to this measurement as highlighted by Bernthal (1998) includes: - 1) to justify the financial investment in the training and development programmes; 2) to gather feedback for ongoing improvement as a programme is being delivered; 3) to demonstrate the link between hr program and the organization's objectives; 4) to compare the effectiveness of two or more training programmes; and 5) to meet requirements set by professional organizations or government regulations.

Most organizations subscribes to Kirkpatrick's four levels of evaluation where the first level deals with trainees 'perception or reaction on the overall of the programme. Also known as the "happy sheet" level of evaluation assesses participants 'views on the enjoyment of training (emotional reaction), usefulness of training (perceived value) and difficulty of training (understanding on training material). The second level focuses on trainees' learning level, that is, assessing to what extent trainees' have acquired the necessary knowledge.

In this context, Kraiger (1993) identified three types of learning resulted from training: cognitive outcomes – measures immediate knowledge outcome or knowledge retention over time after training. Skill-based outcomes – can be measured by requiring the trainees to demonstrate their new skills. The third level is about job application or behavioral change that is, assessing trainees' ability to apply or practice those skills and knowledge acquired during training to workplace environment. The final level of training evaluation is to assess whether training intervention has been beneficial and has helped companies and employees to improve their performance.

Human resource is the very important and the backbone of every organization and it is also the main resource of the organization. Human capital is the differentiator between a good

company and a great company. One significant function of human resource management to the effective use of human resources is training and development. Effective training and development is an investment in the human resources of an organization, with both immediate and long-range returns. Training is a key element for improved performance; it can increase the level of individual and organizational competency.

Training holds the key to unlock the potential growth and development opportunities to achieve a competitive edge. Training programs help in making acquaintance of employees with more advanced technology and attaining robust competencies and skills in order to handle the functions and basics of newly introduced technical equipment. Training facilitates the updating of skills and leads to increased commitment, well-being, and sense of belonging, thus directly strengthening the organization's competitiveness. Training has the distinct role in the achievement of an organizational goal by incorporating the interests of organization and the workforce (Stone, 2002). There is no doubt that training is important in all aspects for an organization.

Training has traditionally been defined as the process by which individuals change their skills, knowledge, attitudes, and/or behavior. The primary role of training is to improve the employees' skill for current and future duties and responsibilities. Training helps them to change with aspects like technology and competition. Now a day's training is the most important factor in the business world because training increases the efficiency and the effectiveness of both employees and the organization. Training is important to enhance the capabilities of employees. Recent researches reveal that training enables most organizations meet their goals and objectives. In doing so employees are able to learn new work concepts, refresh their skills, improve their work attitude and boost productivity (Cole, 2002).

On the one hand, most of the employees need training to perform their job duties or at least to increase the quality and quantity of their work; on the other hand, skilled and efficient manpower is the most important success factor in achieving the goal of organizations. Training facilitates the updating of skills and leads to increased commitment, well-being, and sense of belonging, thus directly strengthening the organization's competitiveness (Acton and Golden, 2002). Training has been an important variable in increasing organizational productivity. Most of the researches showed that training is a fundamental and effectual instrument in successful accomplishment of the firm's goals and objectives, resulting in

higher performance and productivity of the organization. Training is a tool to fill the gap and the firms should use it wisely to improve employee productivity.

Armstrong (2000) contends that trained employees often work better as teams because everyone is aware of the expectations and can achieve them together smoothly.

In addition, employees who receive regular training are more likely to accept change and come up with new ideas. Training plays a vital role, improving performance as well as increasing productivity, and eventually putting companies in the best position to face competition and stay at the top. Past researches provides the evidence regarding the positive affect of training programs on both employee and organizational performance. Training has direct relationship with the employees' performance. A significant relationship was found between the employees training and their resultant performance in accomplishing different tasks. By the help of training employees become proficient in their jobs and they become able to give better results.

**2.4 Theoretical framework of the study**

**2.4.1 Definition**

“Training is the continuous, systematic development among all levels of employees of that knowledge and those skills and attitudes which contribute to their welfare and that of the company”. - *M.C Lord and Efferson*

“Training may be defined as a process of developing an understanding of some organized body of facts, rules and methods. This information concerns largely the operative phases of an applied knowledge”. - *R.C Davis*

ILO (1986) defined training as activities which essentially aimed to provide attitude, knowledge and skills required for employment in a particular occupation or a group of occupations for exercising a function in any field of economic activity.

Iffner and Douds (1989) viewed training as development and delivery of information that people will use after attending the training. Effective training requires that you have a clear picture of how the trainees will need to use information after training. This also requires that people practice what they have learnt before they apply it after training.

Udaianand Pareek (1990) stated that training consists largely of well organized opportunities for participants to acquire necessary understanding and skill. Training aims at lasting improvement on the job. The kind of education we call as training is not for knowing more but behaving differently.

**2.4.2 Employee performance:-**

Employee performance is normally looked at in terms of outcomes. However, it can also be looked at in terms of behavior. Kenney (1992) stated that employee's performance is measured against the performance standards set by the organization. There are a number of measures that can be taken into consideration when measuring performance for example using of productivity, efficiency, effectiveness, quality and profitability measures as 28 briefly explained hereafter. Profitability is the ability to earn profits consistently over a period of time. It is expressed as the ratio of gross profit to sales or return on capital employed (Ahuja 1992).

**Efficiency and effectiveness** - efficiency is the ability to produce the desired outcomes by using as minimal resources as possible while effectiveness is the ability of employees to meet the desired objectives or target (Stoner, 1996). Productivity is expressed as a ratio of output to that of input. It is a measure of how the individual, organization and industry converts input resources into goods and services.

The measure of how much output is produced per unit of resources employed. Quality is the characteristic of products or services that bear an ability to satisfy the stated or implied needs (Armstrong, 2000).

It is increasingly achieving better products and services at a progressively more competitive price (Stoner, 1996).

As noted by Draft (1988), it is the responsibility of the company managers to ensure that the organizations strive to and thus achieve high performance levels. This therefore implies that managers have to set the desired levels of performance for any periods in question. This they can do by for example setting goals and standards against which individual performance can be measured. Companies ensure that their employees are contributing to producing high quality products and/or services through the process of

employee performance management. This management process encourages employees to get involved in planning for the company, and therefore participates by having a role in the entire process thus creating motivation for high performance levels. It is important to note that performance management includes activities that ensure that organizational goals are being consistently met in an effective and efficient manner.

Performance management can focus on performance of the employees, a department, processes to build a product or service, etc. Earlier research on productivity of workers has showed that employees who are satisfied with their job will have higher job performance, and thus supreme job retention, than those who are not happy with their jobs (Landy 1985). Further still, it document that employee performance is higher in happy and satisfied workers and the management find it easy to motivate high performers to attain firm targets.

#### *2.4.3 Effect of training on performance*

In the real world, organizational growth and development is affected by a number of factors. In light with the present research during the development of organizations, employee training plays a vital role in improving performance as well as increasing productivity. This in turn leads to placing

Organizations in the better positions to face competition and stay at the top. This therefore implies an existence of a significant difference between the organizations that train their employees and organizations that do not. Existing literature presents evidence of an existence of obvious effects of training and development on employee performance. Some studies have proceeded by looking at performance in terms of employee performance in particular while others have extended to a general outlook of organizational performance (Harrison, 2000). In one way or another, the two are related in the sense that employee performance is a function of organizational performance since employee performance influences general organizational performance.

In relation to the above, Wright (2001) note that employee competencies change through effective training programs. It therefore not only improves the overall performance of the employees to effectively perform their current jobs but also enhances the knowledge, skills an attitude of the workers necessary for the future job, thus contributing to superior organizational performance.



The branch of earlier research on training and employee performance has discovered interesting findings regarding this relationship. Training has been proved to generate performance improvement related benefits for the employee as well as for the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behavior (Harrison, 2000).

Moreover, other studies for example one by Swart (2005) elaborate on training as a means of dealing with skill deficits and performance gaps as a way of improving employee performance. According to him, bridging the performance gap refers to implementing a relevant training intervention for the sake of developing particular skills and abilities of the employees and enhancing employee performance. He further elaborates the concept by stating that training facilitates organization to recognize that its workers are not performing well and thus their knowledge, skills and attitudes need to be molded according to the firm needs. It is always so that employees possess a certain amount of knowledge related to different jobs.

However, it is important to note that this is not enough and employees need to constantly adapt to new requirements of job performance. In other words, organizations need to have continuous policies of training and retaining of employees and thus not to wait for occurrences of skill and performance gaps. According to Wright (2001), employee competencies change through effective training programs. It not only improves the overall performance of the employees to effectively perform the current job but also enhances the knowledge, skills and attitude of the workers necessary for the future job, thus contributing to superior organizational performance.

Through training the employee competencies are developed and enable them to implement the job related work efficiently, and achieve firm objectives in a competitive manner. Further still, dissatisfaction complaints, absences and turnover can be greatly reduced when employees are so well trained that they can experience the direct satisfaction associated with the sense of achievement and knowledge that they are developing their inherent capabilities (Pigors & Myers, 1989). 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.

According to Kenney (1992) planned training is the deliberate intervention aimed at achieving the learning necessary for improved job performance. Planned training according to Kenney and Reid consists of the following steps:

**2.4.4 Identify and define training needs and objectives.**

Define the learning required in terms of what skills and knowledge have to be learnt and what attitudes need to be changed.

- I. Plan training programs to meet the needs and objectives by using right combination for training techniques and locations.
- II. Decide who provides the training
- III. Evaluate training.
- IV. Amend and extend training as necessary

**Fig. 1.1 Identify and define training needs and objectives**

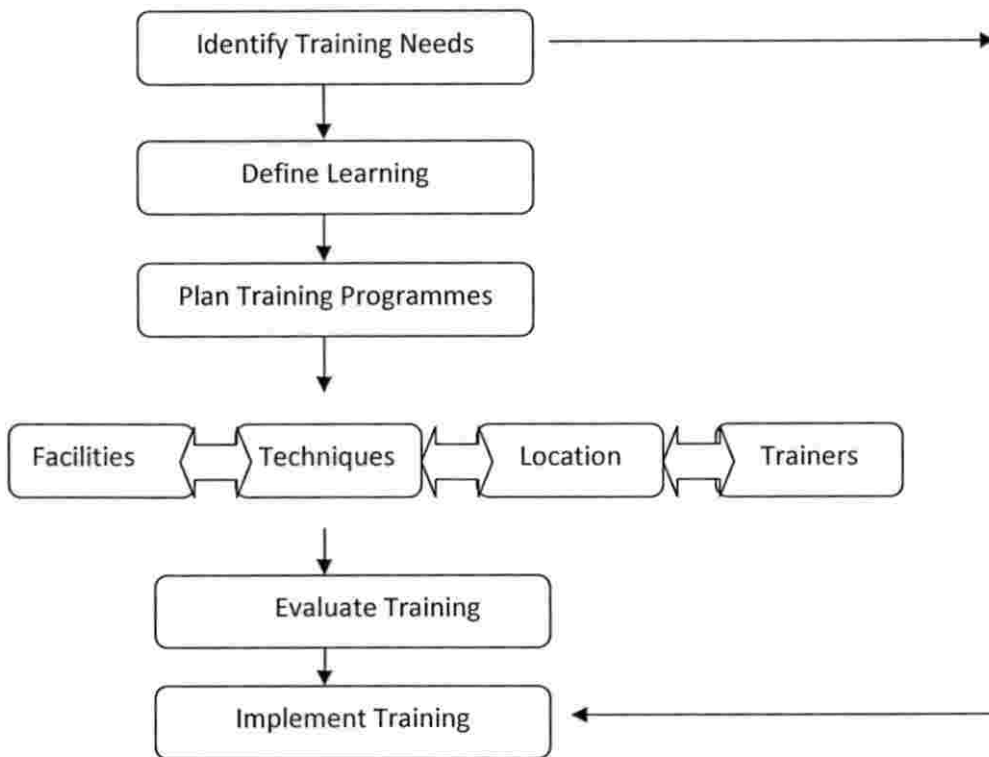


Figure shows: The Process of Planned Training

Source: (Armstrong, 2000)



## 2.5 Theories on training evaluation

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### 2.5.1 Kirkpatrick evaluation model

The Kirkpatrick evaluation model or theory was developed in 1959 by University of Wisconsin professor emeritus Donald Kirkpatrick. It consists of four levels of evaluation: reaction of participants; learning, or the knowledge and skills gained; behavior, or the ability to apply the new skills; and results, or the organizational impact. Each level of evaluation builds upon and adds precision to the previous level.

#### ***The reaction:***

The reaction level measures how training participants react, including their level of participation; ease and comfort of experience; and the level of effort required to make the most of the learning. A reaction evaluation is inexpensive and simple to administer using interaction with the participants, post-training surveys and online questionnaires. The evaluation can be done immediately after the training ends. It is important that participants have a positive reaction to the training sessions because a negative reaction leads to poor learning.

#### ***The learning:***

Learning evaluations are usually conducted before and after a training program to assess the impact the program has had on the learning process. Evaluations assess whether participants have advanced in knowledge, skills and intellectual capacity as a result of the training. Learning evaluation tools include self-assessment using online questionnaires and tests, and formal assessment through interviews and observations. Learning evaluation is especially relevant for technical training because technical skill level changes are usually more quantifiable.

#### ***Behavior:***

Behavior evaluation assesses the extent to which training participants apply the learning in their jobs. The evaluation is usually done over a period of time to determine if the participants use the new skills and knowledge on the job, improve their performance and transfer the knowledge to their peers. Tools include observations, questionnaires, tests and

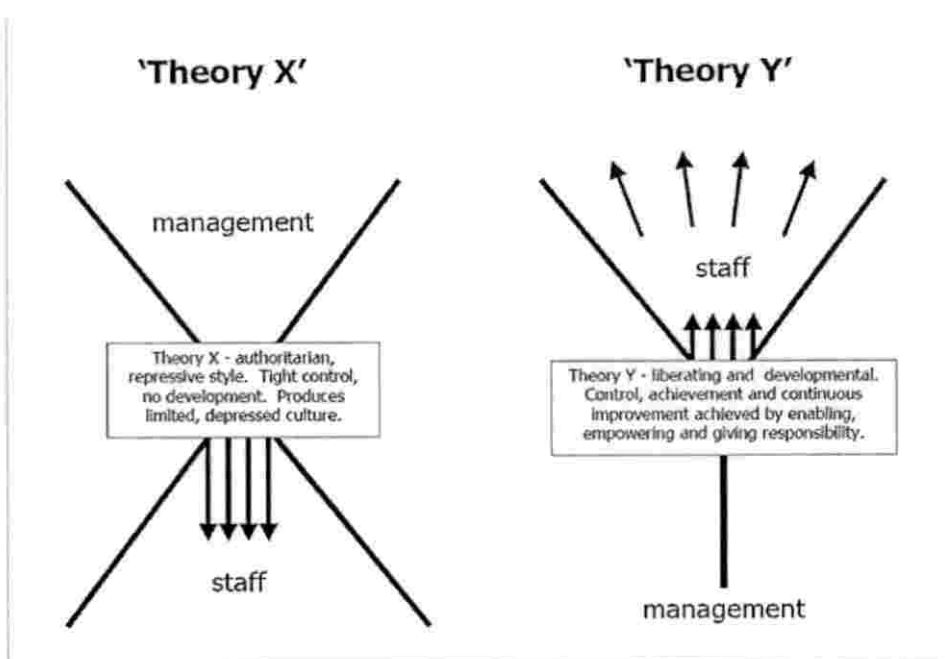
interviews. Behavior evaluations take more time and effort than reaction and learning evaluations. It is important to involve the line managers and immediate supervisors in the process because they are in the best position to observe and assess participant behavior changes.

**Results:**

Results evaluation determines the success of a training program in operational and strategic terms, such as increased sales, reduced expenses, improved quality and reduced cases of workplace injuries. However, it may not always be possible to correlate improved operational performance with training. For example, improvements in product quality may be due to better design tools and more qualified staff, not just a new quality training program. External factors, such as changes in the economy and the competitive environment, may also influence operational results.

**2.5.2 Theory X and Theory Y**

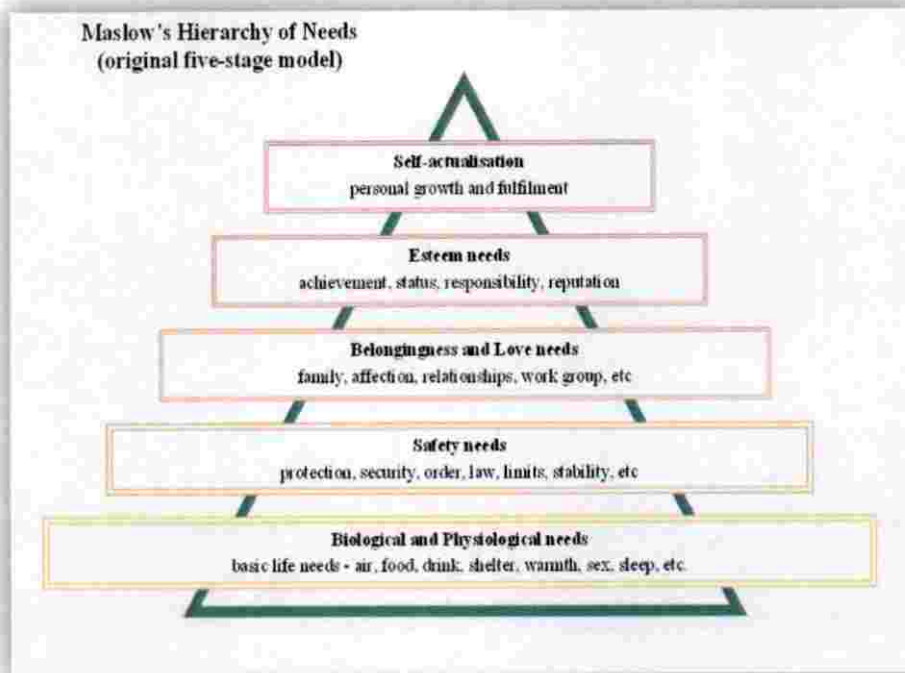
Theory X and Theory Y are theories of human motivation created and developed by Douglas McGregor at the MIT Sloan School of Management in the 1960s that have been used in human resource management, organizational behavior, organizational communication and organizational development. They describe two contrasting models of workforce motivation.



### 2.5.3 Abraham Maslow's Hierarchy of Needs motivational model

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Abraham Maslow developed the Hierarchy of Needs model in 1940-50s USA, and the Hierarchy of Needs theory remains valid today for understanding human motivation, management training, and personal development



### 2.5.4 Training process and Types of Training

Training has been conceived as a process consisting of three phases, viz. Pre-training, training and post training (Lynton and Pareek, 1990).

**Pre training:** Preparatory phase prior to the actual training process is very much essential. Pre training involves planning of training programme. The trainer will assess the training needs and design appropriate course content as well as methods. Arrangements for selection of participants, appraisal of course details and necessary preparations for conducting the training programmes are completed during the pre training phase.'

**Actual Training:** According to the training plan/schedule the training is organized. The activities such as reception of trainees, boarding and lodging, inauguration, guest lectures, organisation of instructions, demonstration skill training, field trip, evaluation etc. are conducted during this phase. Due care is to be taken for creating proper training climate

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for the participants to learn new ideas and skills. Good rapport and team building among the trainees need to be encouraged.

**Post Training:** The success of the training programme largely lies with the follow up activities undertaken after the conclusion of training. Post training tie up with related line departments for continuity, making arrangements with financial institutions for linking up trainees for getting financial assistance, providing them with information about further opportunities available in the field for their improvement, and impact analysis are must for making the training programme successful. The post training evaluation need to be done and based on the feedback, necessary corrections for bringing about further improvement is a must.

### ***Basic Training Approaches***

The training approaches can be classified into traditional, participatory and performance based approaches. In the traditional approach the trainer designs the objectives, contents, teaching techniques etc. And the participants have no say in the process. In the participatory approach the trainer and trainees jointly decide about the programme. In case of performance-based approach, the emphasis is given to acquiring of specific observable skill or attainment of a specific level of proficiency before clearing the trainee for successive levels.

### ***Features of training***

The features of good training programs are as follows:-

- I. **Clear purpose:** The objective of the programme should be clearly specified. The training should be result oriented.
- II. **Training needs:** The training needs of employees should be clearly defined. The methods selected for imparting training should be appropriate and effective.
- III. **Relevance:** The training programme and its contents must be relevant to the requirements of the job for which it is intended.
- IV. **Balance between theory and practice:** A good training programme should provide a balanced mix of theory and practice the theoretical framework should be backed by practical application to provide all round training

- V. Management support: Top management must actively support the training programme so that the training programme may help the employees to yield better results. Once the employees get the support from management, they perform more effectively.

This chapter explained the rationale of the problem studied as well as previous research related to the topic and how the findings relate to the problem at hand. The review concentrated mainly on the theoretical orientation of the study and related literature in line with the objectives of the study.

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*Chapter - 3*

*The Federal Bank Ltd. – A profile*

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## THE FEDERAL BANK LIMITED – A PROFILE

The present chapter gives the organizational profile of 'THE FEDERAL BANK LIMITED'

### 3.1 History of Federal Bank:

The history of Federal Bank dates back to the pre-independence era. Though initially it was known as the Travancore Federal Bank, it gradually transformed into a full-fledged bank under the able leadership of its Founder, Mr. K P Hormis. The name Federal Bank Limited was officially announced in the year 1947 with its headquarters nestled on the banks on the river Periyar. Since then there has been no looking back and the bank has become one of the strongest and most stable banks in the country.

The Federal Bank Limited (FBL) (the erstwhile Travancore Federal Bank Limited) was incorporated with an authorized capital of rupees five thousand at Nedumpuram, a place near Tiruvalla in Central Travancore in 28th April of the year 1931 under the Travancore Company's Act. Shri.K.P.Hormis founded the Bank. It started business of auction -chitty and other banking transactions connected with agriculture and industry. The bank though successful in the earlier periods, suffered setbacks and was on the verge of liquidation. As a largest traditional private sector bank in the country, FBL nurtured for more than seven decades, gaining the reputation of being an agile, technology savvy and customer friendly bank and mostly built wide network of branches, reaching out to cover all the major cities of the country.

In 18th May of the year 1945, the registered office of the Bank was shifted to Aluva and the Bank commenced business by opening of its first branch at Aluva. The Bank opened its second branch at Angamaly during the year 1946. As of 24th March of the year 1947, it was resolved to change the name of the Bank as 'The Federal Bank Limited' and in the same year the third branch of the Bank was opened at Perumbavoor in the month of April. The Bank was licensed under Sec.22 of the Banking Companies Act, 1949 in 11th of July of the year 1959. FBL had floated several kuries one after another.

It also introduced several new deposit schemes during the same period. The Bank embarked for a massive takeover bids during the year 1964, which accelerated its growth

horizontally and vertically. In that process it took over the assets and liabilities of the Chalakudy Public Bank Ltd, The Cochin Union Bank Ltd and The Alleppey Bank Ltd. The St. George Union Bank Ltd was merged with the Bank in the year 1965 and in the year 1968, The Marthandom Commercial Bank Ltd was amalgamated with the FBL. During the year 1970, The Bank became a Scheduled Commercial Bank, which also coincided with the Silver Jubilee Year, since the Bank commenced its operation in Aluva. Witnessed expansion beyond the home state during the year 1972. The Bank became an Authorized Dealer in Foreign Exchange and the International Banking Department of the bank was started functioning from Mumbai in the year 1973. The sustainable growth of the bank was survived during the year 1975 and 1976. In 1975, the Bank opened 53 branches and in 1976 it opened 42 branches.

The International Banking Department of the bank was shifted to Cochin in the year 1982 as part of consolidation and centralization of activities. As part of the organization redesigning recommended by National Institute of Bank Management (NIBM) in November of the year 1984, the Agricultural Finance Department was set up in Head Office. After a year, in 1985, in tune with the NIBM recommendation, Personnel and Industrial Relations Department was set up in July and in the same year the first Advanced Ledger Posting Machine (ALPM-a Wipro banker) was installed at Br. Aluva-Bank Junction branch. The administrative building complex of the bank was inaugurated in the year 1987. During the year 1989, Federal Bank entered into the Merchant Banking Operations. Tapped the Capital Market with a public issue in March of the year 1994. The Bank's first ATM was inaugurated at Eranakulam North in 27th February of the year 1997.

During the year 2000, FBL had started its Any Where Banking (ABB) at Bangalore connecting all branches located in the Bangalore metro, launched Depository Services in association with NSDL and also the Bank commenced Internet Banking under the name of 'Fed Net' during April of the same year 2000 with software support from Infosys Technologies Ltd. Also E-commerce business, The Bank had entered into marketing pacts with some commercial agencies for its E-commerce business in the same year. In the year 2001, the bank made a tie up with Escotel Communications to launch mobile banking services using SMS technology and in the identical year FBL had launched a new deposit scheme christened as 'Suraksha' for senior citizens. The bank became a member of INFINET, the financial network supported by RBI. Full-fledged systems for the RBI's Negotiated Dealing Systems (NDS) were set up at the Funds & Investment Branch in Mumbai, enabling

online trading in securities from February of the year 2002. FBL had unveiled the Anywhere Banking in the year 2003 provides the convenience of doing transactions from 300-plus interconnected branches. The Bank had obtained the level of 100% interconnectivity among all its branches during the year 2004 and also in the same year FBL had launched an Equity Subscription Scheme, a new retail product for financing the IPO and public issue applications of its own customers.

In the identical year of 2004, Federal Bank joined hands with ICICI Prudential Life Insurance Company Ltd for premium collection through its branches and introduced new Fed e-Pay services. JRG Securities Ltd had forged alliance with the Bank in the year 2005 for providing loans for subscribing to initial public offers (IPOS). The bank has emerged as the first bank in India to offer Real Time Gross Settlement (RTGS) across all of its branches. The 32 branches of erstwhile Ganesh Bank of Kurundwad Ltd were successfully integrated to bank's network. Ganesh Bank was amalgamated with effect from 2nd September of the year 2006. During the period of 2006-07, the bank entered into a joint venture agreement with IDBI Ltd & Fortis Insurance International N V for incorporating a Life Insurance Company under the name of IDBI Fortis Life Insurance Company Ltd. During the year 2007-08, FBL had opened its Representative office at Abu Dhabi, Capital of U.A.E. for the gateway of the bank to the whole of Middle East and also as an interface between its existing customers of GCC countries and its Branches /Offices in India. FBL won the Best Core Banking Project Award 2007' at the Asian Banker IT Implementation Awards 2008. The bank's Joint Venture life insurance company, in association with IDBI Bank Limited and Fortis Insurance International N.V. namely IDBI Fortis Life Insurance Company Limited commenced its operation in March of the years 2008. As of May 2008, the bank has 606 branches, 544 ATMs, 10 extension counters and one satellite office.

Federal Bank is a leading Private Sector Bank with a branch network of 1,252 branches and 1,548 ATMs spread across the country. The Bank's total business mix (deposits + advances) stands at Rs 1.22 Lakh Crore as at March 31, 2015 and it has earned a net profit of Rs 1005.75 Crore. Federal Bank has its Representative Office at Abu Dhabi that serves as a nerve centre for NRI customers in the UAE. Federal Bank is transforming itself, keeping its principles intact, into an organization that offers services beyond par. It has a well defined vision for the future as a guidepost to its progress.

## 3.2 Vision

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- I. Be a "customer-centric" organisation setting standards for customer experience.
- II. Be the 'trusted' partner of choice for target (SME, Retail, NRI) customers.
- III. Become the numero uno bank in Kerala and a leading player in our chosen segments/markets.
- IV. Offer innovative yet simple products supported by state-of-the art technology.
- V. Have a dynamic and energised workforce with a strong sense of belonging.
- VI. Deliver top tier financial performance and superior value to stakeholders.
- VII. Be a role model for corporate governance and social responsibility.

## 3.3 Mission:

Shareholders: Achieve a consistent annual post-tax return of at least 20% on net worth. Employees: Develop in every employee a high degree of pride and loyalty in serving the Bank. Customers: Meet and even exceed expectations of target customers by delivering appropriate products and services, employing, as far as feasible, the single window and 24-hour-seven-day-week concepts, leveraging strengthened branch infrastructure, ATMs, and other alternative distribution channels, cross-selling a range of products and services to meet customer needs varying over time, and ensuring the highest standards of services at all times.

The Bank has also the distinction of being one of the first banks in the country to deploy most of these technology enabled services at the smaller branches including rural and semi-urban areas.

## 3.4 About our founder

Kulangara Paulo Hormis, educated as a lawyer, began his career as an Advocate in the Courts of Perumbavoor. But the path breaker soon gravitated to commercial banking and soon took up the reins of Federal Bank in 1945 as its Chief Executive. Fired by a passion for institution building ShriHormis built out of a onebranch-Small-Time Bank, a nationwide institution of 285 branches in the 34 years that he remained at the helm. The quintessential banker that he was, a structure for extending finance to agriculture and the weaker sections of society was laid by him much before these areas came into national focus.

### 3.5 Tag line of Federal Bank

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“Your Perfect Banking Partner”

### 3.6 Locations

The Corporate head office of the bank is at Aluva. The Bank has more than 600 branches all over India

#### *Some other information*

The Bank had the distinction of introducing Anywhere Banking in all its branches, including rural locations. Federal bank was the first among the traditional banks to launch Internet banking and e-commerce. The Fed Soft software developed in-house for branch automation is based on state-of-the-art technology and is based on workflow automation concepts. This unique software runs on Sybase RDBMS and has a graphical user interface (GUI), making it elegant and user-friendly. The Bank has entered into agreements with National Securities Depository Ltd. (NSDL) - from 1998 onwards, and Central Depository Services Ltd. (CDSL) - from 1999 onwards, for having the Bank's shares traded in electronic (demat) form.

#### *Share holder information*

Listing on Stock Exchanges the shares of the Bank are listed in, National Stock Exchange Ltd (NSE), Bombay Stock Exchange Ltd (BSE) and the Cochin Stock Exchange Ltd.

#### **CSR**

For Federal Bank, Corporate Social Responsibility (CSR) has been an inherited and inbuilt element of its culture from the day the bank was founded. Our Founder's values and ethos based on trust got embedded in the bank's policies and principles which reflect on its day to day business. CSR in Federal Bank began with the first act of cultivating banking habits in an agrarian society - to effectively utilize idle money for productive purposes.

Creating employment opportunity for a predominantly farming community was phase two. The Bank is a commercial entity. It has to carry out its operations to generate profits to

fulfill its responsibility to all stakeholders. But its activities are carried out in the society and it owes to the society for its business prosperity.

### *The Policy of Federal Bank*

Organizations grow only when its roots are firmly planted on a ground of strong business philosophy. A strong sense of 'purpose' drives organizations forward and a sound philosophy fuels this advance. Federal Bank is a notable player amongst the commercial banks in the country. Bank professes a set of values that are being nurtured over the years and these have become the principles of the organization. Growth is an essential part in keeping organizations live. The Bank envisions an all-round prosperity to all the stakeholders - customers, shareholders, employees and associates. The Bank practice and propagate with excellence, in all spheres of activities. Strategic alliances and diversification paths are adopted; making sure that the ultimate goal is achieved - To be a Bank of world-class standards.

A Bank that is respected by both its customers and competitors alike would never dare to overlook a very important asset - the employees. A well-trained, well-informed and happy work force with strong work ethics is sure to result in success with no precedents. The Bank is reaping the benefits of an HRD policy that aimed at developing a 'WE' attitude among the employees. The employees are an energetic set of people with unfathomable skill, energy and commitment. With prosperity comes responsibility, especially to the society in which you exist. The bank is keen to fulfill its social obligations by lending to the priority sector.

The Federal Bank Hormis Memorial Foundation, a public charitable trust formed by the bank to perpetuate the fond memory of its founder chairman, Late Kulangara Paulo Hormis is striving hard to inculcate better knowledge and awareness in the field of banking through training programmes, focused seminars, awards, and scholarships and so on. Capitalizing on the core competencies and smart sizing of operations, The Bank is prepared to meet any challenge that may come its way and utilize opportunities the banking industry has to offer in the days to come. Every action conveys Federal Bank message, "Your Perfect Banking Partner".



The Bank, in its journey towards excellence and to become the most admired bank in the industry, is committed to the stakeholders who include the employees, the customers, the shareholders, the investors, the Board and the regulators. As in any progressive organisation, a strong HR set up is the backbone of all activities. The mission of HR is to develop a competent and connected team which understands and strives to achieve the business and individual goals. In this journey, the Bank makes sure that every employee is actively and passionately engaged in all the activities of the organisation. Bank takes its best effort to provide state of art facilities, best in the industry remuneration and all opportunities for sound health and perfect work-life balance. To build up a competent and enlightened people power, Bank gives paramount importance to learning and development. It also builds progressive workplace, strengthen relationships and encourage harmonious work cultures so as to create a great environment to work in.

#### ***Vision of HR:***

Fully understanding the need to be the organisation with a people touch, your Bank strives to be the best place to work in where people are passionate and proud about the work they do. The vision of HR is to identify, invest & groom right personnel at right position and to continuously recognize and reward their good performances. HR strives to ensure that each employee feels to be a part of a team that is close knit, supportive and wholesome. HR also envisions building a well groomed, knowledgeable & competent work force.

#### ***HR Structuring:***

In order to realign the Bank with the volatility of the business requirements, periodic restructuring and realigning of various portfolios is required throughout the organization. HR Department facilitates the effective implementation of any restructuring by putting in the right personnel at the right place at the right time and makes its role contemporary, meaningful and innovative. The total Human Capital of the Bank has increased to 10981 after induction of 1064 new entrants in various positions during the financial year. The average age of employees at the Bank is 37years. The current male female ratio of the Bank is 63:37.

Bank was honored with a commendation for its "Strong commitment to HR Excellence" at the 5th CII National HR Excellence Awards 2014. Banking Frontiers conferred the Best HR & Talent Practice Award in the Private Sector Category and Best Star Practitioner Award on the Bank's HR Head. Asia Pacific HRM Congress Awards 2014 has given the citation of "CEO with HR Orientation" to Shri.Shyam Srinivasan, MD & CEO of the Bank, and the citation of "40 Most Talented Leaders" to the HR Head of the Bank, Shri.Thampy Kurian. Federal Reach, the in-house magazine of the Bank, received the prestigious NIB Awards. Apart from many more in the HR front, Bank was showered with many other awards and accolades; four IDRBT Awards in recognition to the IT excellence, CNBC TV 18 Award for Financial Inclusion, Best Performance Award for the implementation of Prime Minister's Employment Generation Programme (PMEGP), ACI Excellence Award for innovative and transformative uses of technology solutions and many more.

***Federal bank bags greentech HR Excellence Award 2015 -Mumbai, Maharashtra, India***

Federal Bank bagged the Greentech HR excellence award- 2015 for Excellence in Training & development held at Bangalore. Federal Bank won the award for excellence in training and bringing new innovative practices to develop skill sets of employees. Green Tech HR Awards are presented to companies demonstrating highest levels of commitment to HR practices. The awards aim to recognize exemplary operations, systems and evidence of their impact to business vitality.

Representing the Bank, Smt. Usha Mary Mathan (Chief Manager-Training, Talent Development & Training, Federal Bank) received the award from Shri K S Jamestin (Former Director – HR & Dir. I/C Business Development, ONGC Limited and Shri K.Sharan, Founder & Chairman Greentech Foundation.

**3.8 Training & development activities**

The Training & Development activities of Federal bank follow a training calendar approved by Academic Council which focuses on Bank's business priorities and corporate vision. Bank is following a 70:20:10 learning model where 70% of learning happens on the

job, 20% happens through research or feedback and 10% through training/learning programmes.

***Learning & Development focus are:***

- I. Leadership development programmes.
- II. Talent pool creation.
- III. Certification programmes - internal & external.
- IV. E-learning.

***Leadership development programmes:***

It designed for different levels of employees to develop a leadership pipeline in the organization. This helped in generating desired attributes which are integrated to various people processes. Focus of the program was to inculcate the leadership qualities in seniors so as to effectively lead a team motivating them and creating a sense of belongingness.

***Talent pool creation:***

To bring in specialization in various banking activities and to have a ready to deploy pool of experts, talent pool creation was focused in areas like credit, foreign exchange, treasury, and risk and branch management. This was done through external and internal certification programmes and also class room programmes like "Samrudhi".

***Certification Programmes -Internal & External:***

To develop the capability of people and thereby enhancing organization capability, a process of continuous learning was identified as the right way of imparting knowledge. With this in mind, bank embarked upon various certification programmes roping in external expertise for Foreign Exchange. Officials from selected branches and departments were chosen for an online certification on foreign exchange conducted by one of the world's largest financial E Learning company. These officials are groomed as foreign exchange experts to take forward the Bank's long term business focus in this area. The main highlight of the program is the biweekly video conferencing by subject experts which helps the participants to understand the nuances of foreign exchange and to come out successfully in the certification process.

In addition the Bank has launched an Internal Certification Program (ICP) developed by internal experts for credit, general banking and risk. The program has three levels - foundation, basic and advanced. Each level is mandated for specific category of employees and is linked to career progression. With this program the Bank expects to bring in more expertise in respective areas in all levels of employees across the organization. More such programmes are in the pipe line.

### ***E-Learning:***

The focus has been to inculcate a learning culture in the organization. Taking this philosophy in mind, the Bank has designed various E Learning modules for classroom trainings and on-the-job programmes. The Bank has used advanced E Learning tools for promoting self-learning inside the organization. The bank has built its learning strategy to facilitate learning process across all levels through weekly online quizzes, internal assessment tests, internal/ external classroom trainings, internal certification programmes and personalized e-learning module. Online assessment tests are conducted before and after the training program to measure the effectiveness, new joiners were introduced into a monthly assessment test covering major aspects of banking, helped in linking them to the learning culture of the bank in the initial level of their career itself. Thus the Bank could create 1, 55,000 man hours of learning, roughly works out to average 2 days of classroom learning to all employees of the bank.

### ***Vision and Mission of Training Programmes In Federal Bank***

#### ***Vision of Training programmes in Federal Bank:***

To become a Centre for knowledge development by imparting training with prime focus on practical exposure, business requirements, individual development and organisational growth.

#### ***Mission of Training in Federal Bank:***

- To ensure that all employees are put through a continuous training and Development plan based on their assignment and potential.

- To ensure that each employee is put through appropriate training and learning programmes.
- To ensure that all training inputs are mapped to an individual's profile.
- To ensure that post training or post learning assessments are conducted to evaluate the effectiveness of the programmes.
- To ensure that trained and certified training personnel are empanelled.
- To conduct training audit on a regular basis to ensure effectiveness of the system and to take steps to rectify issues on a regular basis.
- Develop world class infrastructure for training and for knowledge dissemination.

***Knowledge building culture***

A knowledge building culture existed in the Bank since its full-fledged functioning during the post-Independence era. Under the guidance of Shri K P Hormis, employees at the Bank were sent to training programmes conducted by the Reserve Bank of India and many other bankers training institutes in the country.

***The federal Bank training Centre***

The current building was built and inaugurated in the year 2004. Initially known as the Federal Staff College, it was later christened as federal Knowledge and Development Center. And today stands integrated as HR- Talent Development and Training. The Center is the sole training facility for the whole of the Bank, even though the training programmes are conducted at the regional and zonal levels too.

***Training programmes:***

***Content of the training programmes:***

The Academic Council shall be responsible for the curriculum of the training programmes. The Academic Council is the highest academic body in an organisation and is responsible for the maintenance of standards of instruction, knowledge building, assessment etc. The board functions of the Academic Council would be as follows:

- I. To identify the areas for training/leaning in the organisation
- II. To create and carry out the curriculum and knowledge building activities as identified

- III. To revise the curriculum and knowledge building activities of the organisation and as required

Ensure incorporation of industry best practices in training and development activities of the organization conduct half yearly training and development audit to ensure proper functioning and to bring in strategy changes if required Develop the knowledge culture of the organisation

***The Academic Council shall comprise of***

- I. Head of HR(Chairman/Head of the Council)
- II. Head of Talent Development & Training / Principle
- III. Faculty
- IV. 2 Business Head 1 Compliance Head

The Academic Council shall meet once every half year during the months of October and April to decide on the curriculum, modes of learning and other strategy revisions if necessary. The decisions taken by the Academic Council shall be considered final and shall be incorporated in the training plan of the Bank

***Annual Training Plan:***

A Training plan shall be approved and published by the bank in the beginning of every financial year by 30th April every year. The Training Plan shall include the following items;

- I. Area of focus for the Bank on which the population would be given training/learning inputs
- II. Percentage of the employees' population that would be covered under the different types of training and learning initiatives for the financial year
- III. Target population identified for each area of focus including the scale, percentage etc
- IV. Training/learning mix for each specific target population and area of focus
- V. Month wise training plan incorporating all training/training programmes
- VI. Programme details and financials shall be includes in the same

The Training Plan Shall be prepared on the basis of Business requirements and requirements identified in the Individual Development Plans shall be prepared for both Classroom training and E-learning.

For E-learning programmes, modules shall be designed as follows:

- Credit -8 programmes/year
- KYC/AML -4 programmes/year
- Risk -4 programmes/years
- General Banking - 8 programmes/year
- Total: 24 programmes every year

These programmes shall be mainly focused on scale I, II and III officers.

### ***Training calendar***

A training calendar shall be published incorporating the following;

- I. 1 Number of areas in each area of focus
- II. 2. Number of participants
- III. 3. Venue
- IV. 4. Programme coordinator
- V. 5. Brief outline of training

The training calendar shall be approved and published 60 days before the commencement of the program.

### ***Modes of delivery of training/learning programmes:***

The Bank imparts training/learning through the following modes of delivery according to the 70:20:10 learning concept.

- I. Classroom training programmes at FKDC or any other institute or location and identified
  - a. Induction programmes
  - b. Refresher programmes

c. Specialised programmes based on business needs and individual needs One day activity based programmes

II. Symposiums/Workshops

III. E-learning

IV. On the job training

V. Case study

VI. Role play



*Chapter – 4*

*Training Effectiveness – Analysis*

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## TRAINING EFFECTIVENESS -ANALYSIS

Training can be stated as the methods which are imparted to the employee in fulfilling the organizational goals. So, training and its regular evaluation would definitely make an organization to stand in the lime light in achieving the objectives.

Here an attempt was made to gather data and analyse the effectiveness of training on basic credit management of bank employees of Federal Bank Limited. This chapter deals with findings of the present investigation, results and discussions. The results are discussed and inferences are drawn in light of the objectives set forth,

- I. To study the effectiveness of 'basic credit management' training programme of Federal Bank employees.
  - a. To analyze the training environment.
  - b. Analyze the perceived improvement in job performance
- II. To suggest measures (if any) to improve training programmes

Focusing on above objective, a survey was conducted with structured questionnaire among bank employees of the Federal Bank Limited who had attended basic credit management training programme.

### THESE ARE PRESENTED UNDER THE FOLLOWING SUB HEADS:

**Section 1:** Demographic characteristics of the respondents

**Section 2:** Respondents opinion on overall training environment

**Section 3:** Effectiveness of training on job performance of managers

### Response Rate:

Response rate is the indication of success of a survey-based study. In this study 80 questionnaires were mailed to the employees of the Federal Bank limited who had attended basic credit management training programme & 78 respondents are returned the questionnaire. The total respond rate was of 97.5%.

### Demographic characteristics of the respondents

This section presents the empirical findings on the analysis of profile characteristics of the respondents. The various demographic factors considered for the study are gender, age, educational qualification and years of work experience. These characteristics may have an association to both 'opinion of trainers on overall training environment' and 'the effectiveness of training on job performance'.

#### 4.1 Age

Age of the respondents is one of the most important characteristics in understanding their views about the particular problems. It is one of the factors affecting training effectiveness and employee's performance

**Table 4.1 Distribution of respondents according to age group**

Age group (In years)	No. Of respondents (N=78)		
	Frequency	Percentage	Cumulative percentage
20-25	29	37.2	37.2
26-30	33	42.3	79.5
31-35	11	14.1	93.6
Above 35	5	6.4	100

Source: Compiled from primary data

The frequency of distribution of respondents on the variable age is depicted in table 4.1. It may be seen that majority of the respondents (42.3%) are of between 26-30 years old, followed by 20-25 year age group (37.2%). The cumulative percentage of this age group is almost 80 percentages which indicates that the **Federal Bank employees attending these training programmes are mainly of the young people.**

It may be also rated that 14% of the respondents attending training are of age group 31-35 and another 6.4 % are above 35 years old.

#### 4.2 Classification of respondents based on gender

It has been attempted to classify the respondents based on the gender, in the study.

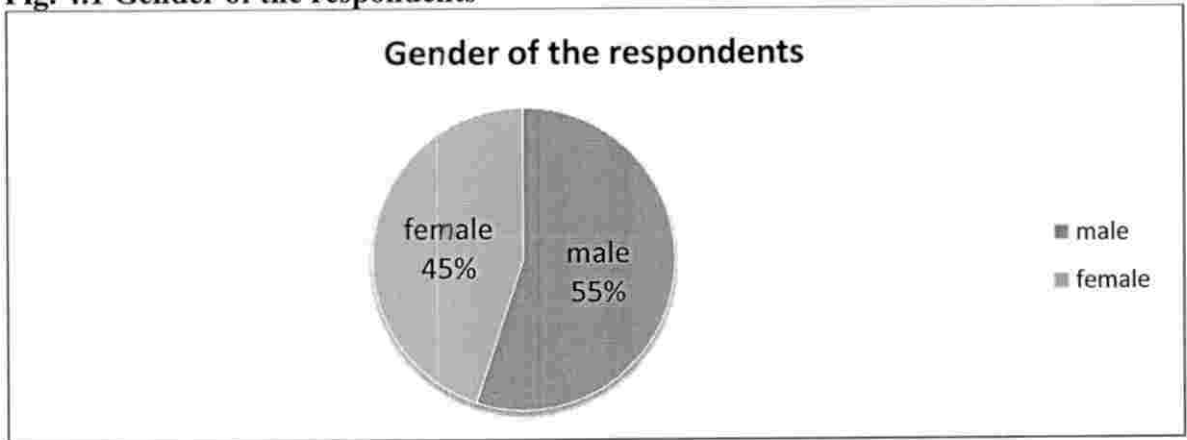
**Table 4.2 Gender of the respondents**

Gender	No. Of respondents (N=78)		
	Frequency	Percentage	Cumulative percentage
Male	43	55.1	55.1
Female	35	44.9	100

Source: Compiled from primary data

The Data related to gender of the respondents is presented in the Table 4.2. The figure 4.1 reveals that majority 43 (55.1%) are males while 35 (44.9%) are females.

**Fig. 4.1 Gender of the respondents**



### 4.3 Classification of respondents based on Educational Qualifications

Education is one of the most important characteristics that might affect the person’s attitudes and the way of looking and understanding any particular phenomena. In a way, the response of an individual is likely to be determined by his educational status and therefore it becomes imperative to know the educational background of the respondents.

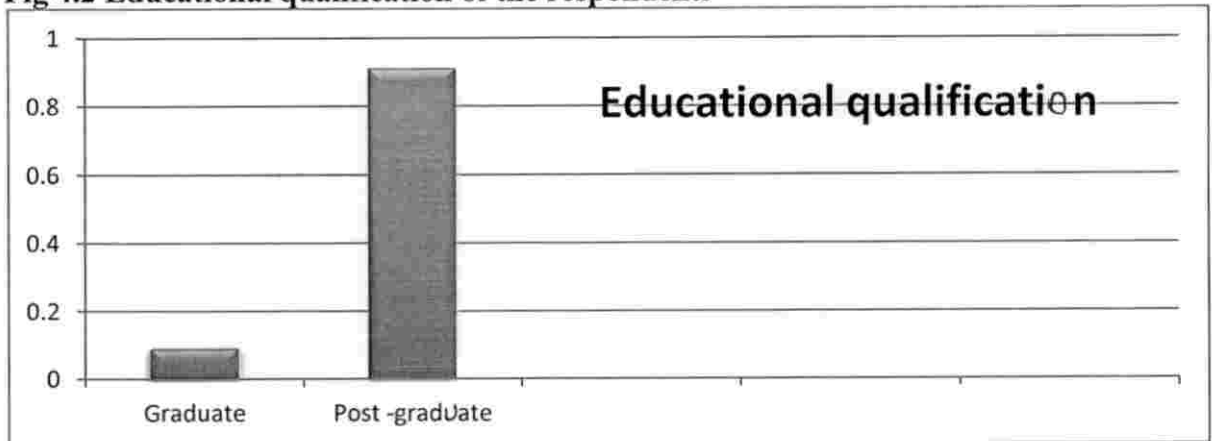
**Table 4.3 Educational qualification of the respondents**

Educational qualification	No. of respondents ( N=78)		
	Frequency	Percentage	Cumulative percentage
Graduate	7	8.97	8.97
Post graduate	71	91.02	100

Source: Compiled from primary data

From the figure 4.2 and table 4.3, it is evident that most of the respondents are post graduates i.e., 91 %. About 8.97% have pursued degree in various fields of interest. It reflects the higher competency of a workforce with higher qualifications which definitely results in a better job performance of the employees if they are exposed to such training programmes. Similarly the organization will not find any difficulty to impart training in innovative programme like that of credit management, as the employees are very much competent to acquire more knowledge and skills.

**Fig 4.2 Educational qualification of the respondents**



#### 4.4 Classification of respondents based on years of work experience

Experience is an integral part in analysing training effectiveness. Only experienced employees can understand the organizational activities very well. According to experience level employees view about the training effectiveness may change.

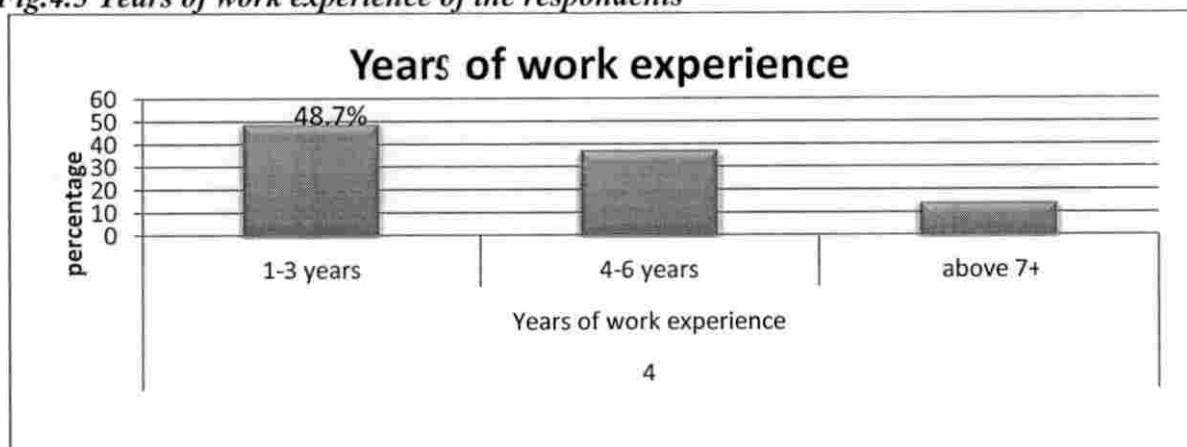
**Table 4.4 work experience of the respondent**

Years of experience	No. Of respondents (N=78)		
	Frequency	Percentage	Cumulative percentage
1-3	38	48.7	48.7
4-6	29	37.17	85.88
7+	11	14.10	100

Source: Compiled from primary data

The table 4.4 shows the classification of the bank employees according to their years of experience. It is revealed in figure 4.4 that 48.7% employees have only 1-3 years of work experience. i.e; most of them are new to their job and needs more training on basic credit management. About 37.17% of the employees have 3-6 years of experience and only 14.10 % senior officers (above 7 years of work experience) were attended the basic credit management training programme.

**Fig.4.3 Years of work experience of the respondents**



## Section II

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### Frequency distribution of respondent's opinion on overall training environment

This section analyses the respondent's opinion on overall training environment. The opinions of the respondents were captured through statements rated on a three point scale (good-1, moderate-2, and low-3).

**Table 4.5 Frequency distribution of respondent's opinion on overall training environment**

N=78

Respondent's opinion on overall training environment	RATING					
	GOOD		MODERATE		LOW	
	No. of Respondents	(%)	No. of Respondent	(%)	No. of respondent	(%)
Physical facilities available for learning	62	79.5	12	15.4	4	5.1
Course content covered during training	59	75.6	18	23.1	1	1.3
Training facilities provided	55	70.5	21	26.9	2	2.6
Communication of trainer especially clarity	56	71.8	20	25.6	2	2.6
Rapport between trainers and trainees	46	59	32	41	-	-
Motivation role of the trainer	64	82.1	13	16.7	1	1.3
Training methodology adopted	63	80.7 6	15	19.2	-	-
Increase in knowledge	78	100	-	-	-	-

Evaluation methods adopted	61	78.2	16	20.5	1	1.3
Follow-up / handholding support	64	78.2	13	20.5	1	1.3
Overall quality of training programmes	48	40.0	68	56.7	4	3.3
Whether the training programme has increase in knowledge	78	100	0	-	0	-

Source: Compiled from primary data

To improve the overall training process and its effectiveness, we have to know the opinion of trainees about the training environment too .Because, there is a strong relationship between training environment and training effectiveness. This analysis helps to know and improve the present condition of training environment. It helps the employees to grasp the content of training more easily.

#### **Favorable learning environment:**

Physical facilities has a major role of in teaching- learning process and this analysis helped to highlight the role and importance of physical facilities in improving teaching learning process About **79.5 %** of the employees rate the physical facilities during the training programme as good. This shows that the FKDC is prudent to make necessary facilities to conduct the training programme. This enables the employees to absorb the content of training more easily.

The opinion about the training programme is largely influenced by training ambience and rapport between trainer and participants.About **70.5%** of the respondents have that opinion that training ambience in FKDC and their other centers are good for learning.And the 50% of the responses indicate that the rapport between trainer and participants is good. Nobody rated it as low.

About 82.1% of the employees consider the training time and duration is adequate to the specific topics covered. There are some respondents who are fresher's to the banking industry suggested to increase the training duration into 2 weeks to get more knowledge and clarification on the topics through more case studies, discussions etc.



**Effective delivery of topics includes content, methodology, role of trainee etc.:**

A healthy mix of a few methods provides variety overcomes monotony and boredom & energizes participants. Here about 80% of the respondents feel that they are satisfied with the method of training used at present while 20 % moderately rate their satisfaction on training methodology and no one responded as low. This result indicates that trainers select huge array and variety of training methods clearly focus on particular skills and, thus, skill development is emphasized to match the purpose and learning outcomes of each session

The table 4.5 reveals that, all the respondents (100%) have the same opinion about ‘the role of training in their knowledge improvement. With respect to the responses on the quality of the training programmes for which they participated, the findings indicate that the majority of the respondents (respondents representing a 75.6%) were contented with the quality of the training programmes for which they participated. This result indicates clear deliverance of training content and/or substance to the trainees during the training programme. The rest of 23 % rated as moderate followed by 1.3% rated as low.

This implies that increase in training contents will increase the level of employee’s performance. The results concur with the findings of (Ostroff and Kozlowski, 1993).

The evaluation of content of the training and the methods employed measure performance of knowledge, skills of employee easily to know the enhanced employee performance at. The study findings were in agreement with what (Lam and Kong 1992), training evaluation is positively influence employee’s performance, because training evaluation has proved that training has actually taught what was intended and improved the training contents for future use

The effectiveness of training is depending on evaluation of employees by looking at their understanding throughout the training programmes, and their ability to transfer the new skills and knowledge into their work tasks. So, employees who understand the purpose of training and able to transfer new skills and knowledge, then employees are committed and able to perform well in organization

The findings indicate that the majority of the respondents (respondents representing a 74%) were contented with the quality of the training programmes for which they participated. This result indicates clear deliverance of training content and/or substance to the trainees



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during the training programme. The rest of 25 % rated as very good followed by 1% rated as good.

The communication ability of the trainer has a large influence on trainee's opinion on training. It includes the transfer of knowledge and skills to the beneficiaries. About 71.8% of the respondents have good opinion regarding the communication skill of the trainers who are delivering various topics on basic credit management.

The motivating role of the trainer is yet another determining factor. A good trainer is also a good motivator who can help the trainee to perform the challenging task through persistent motivation. The motivation role of the trainer is rated as good by 64% of the respondents. Only 13% rated as moderate followed by 1% as low.

### **Training evaluation:**

About 78.2% feels that the evaluation methods adopted by FKDC are good and the feedback collected has been properly revised for next training programmes. Only 20.5% rated as moderate followed by 1% as low...

Longer-term, follow-up evaluations conducted three months to a year or more after training are also a possibility. These evaluations measure how participants use their newly acquired information and skills in their job and responsibility roles. From the prevailed data, it is clear that about 78.2 % respondents rated the follow-up/handholding support by the FKDC as good. Only 20.5 % rated as moderate followed by just 1% rated as low.

**Response of 1 employee:** "When we are acquiring something new, it is very important to utilize it in our day to practice. Otherwise it will become useless and gradually we will lose its presence. It's very important that post training we should get the chance to handle the related work to make it perfect in our mind"

It shows the overall satisfaction of the employees about the training environment. And it proves that FKDC takes all necessary steps to facilitate an effective learning experience by considering the factors for ensuring physical comfort to the trainee with necessary content, methodology and effective delivery.

#### 4.6 Respondents opinion on overall training environment .Scaling & scoring of the individual respondents

The respondents’ total opinion on overall training environment is measured by using 12 different opinion parameters on a three point scale.

The table 4.6 below is based on descriptive statistics of the variable ‘respondent’s opinion on overall training environment’. The minimum score obtained is 12 which belong to ‘high opinion’ category and maximum score obtained is 30 (low opinion). The mean value is 27.87.

Accordingly, responses can be classified into three different groups as ‘high opinion’, ‘Average opinion’ and ‘low opinion’ about overall training environment.

**Table 4.6 Classification of the respondents based on employee’s opinion on training environment.**

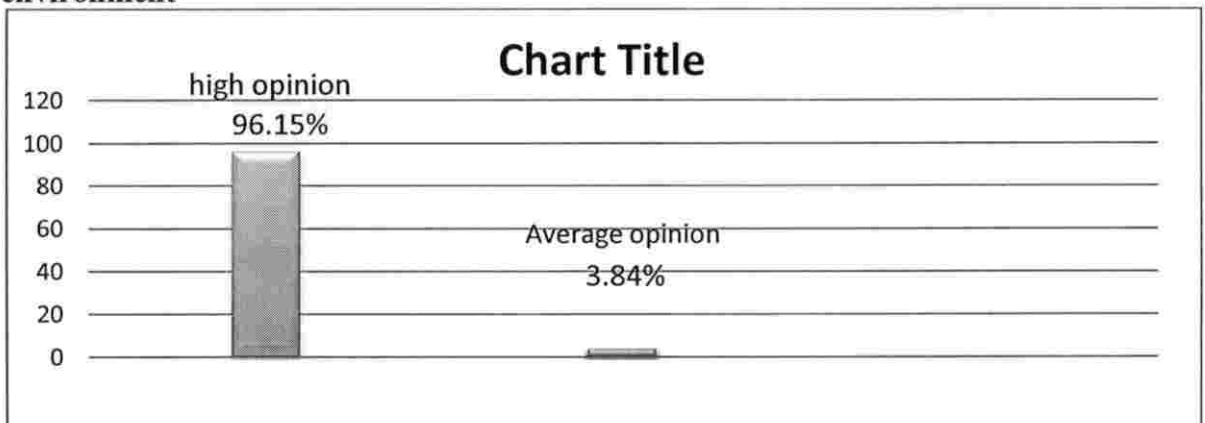
Classification of the Respondents	No of respondents (N=78)	Percentage
< 28 ( high opinion)	75	96.15
28 – 32 (Average opinion)	3	3.84
32+ (low opinion)	0	0

Source: Compiled from primary data

[Mean=27.87, Standard deviation=3.38, Variance= 11.48]

Note: Score in descending order are consider to be more affirmative

**Fig. 4.4 Classification of respondents based on employees opinion on training environment**



It is evident from the above table that utmost care was taken to organize the training programmes. It is reflected in response to their high opinion about the overall training environment' (96.15%). Only about 3.84% shows their average opinion about the training environment and no one rated low opinion in this regard. This shows the trainees high satisfaction towards the overall training environment provided from FKDC.

**4.7 Association of respondent's opinion on overall training environment with their demographic parameters**

To know whether there is any **association between respondent's opinions on overall training environment with their demographic parameters** like gender, age, educational level etc, the **chi-square** test has been conducted and the following hypotheses was tested to know the statistical significance of responses

**Null hypothesis 1:** There is no association between respondent's opinions on overall training environment and gender.

**Alternate hypothesis 1:** There is association between respondent's opinions on overall training environment and gender.

**Null hypothesis 2:** There is no association between respondent's opinions on overall training environment and their age.

**Alternate hypothesis 2:** There is association between respondent's opinions on overall training environment and their age.

**Null hypothesis 3:** There is no association between respondent's opinions on overall training environment and the education level of the trainees.

**Alternate hypothesis 3:** There is association between respondent's opinion on overall training environment and the education level of the trainees.

**Table 4.7 Findings of tests of association of ‘Employees opinion on overall training environment’ with their demographic characteristics.**

**At a glance:**

Test of association between variables	Pearson chi-square test value	Asym.Sig. (p- value)	Association	No Association
Respondent’s opinion on overall training environment with gender	.599	.439	-	✓
Respondent’s opinion on overall training environment with age	1.09	.779	-	✓
Respondent’s opinion on overall training environment with education level	.308	.857	-	✓

Source: compiled from primary data

**4.7.1 Tests of association of respondent’s opinion on overall training environment with age.**

The Pearson chi-square value for the test of association between ‘opinion on training environment’ and gender is 2.54 and p value (asym.sig.) is 0.111 (greater than 0.05). Therefore, it can be summarized that there is no significant association between ‘respondent’s opinion on training environment’ and the gender of the trainees.

The differences between male and female who were participants did not have different opinion on overall training environment at significant level 0.05 levels (( $p = 0.111$ ;  $> 0.05$ ). Hence I failed to reject the null hypothesis.

**4.7.2 Tests of association of respondent’s opinion on overall training environment with age:**

The Pearson chi-square value for the test of association between evaluation of training and age 1.09 and p value (Asym.Sig.) is .779 (greater than 0.05). Therefore, it can be summarized that there is no significant association between respondent’s opinion on training environment and the age of the trainees.

It results that there are no differences among the employees’ age level regarding their opinion on training environment ( $p = 0.779$ ;  $> 0.05$ ) because here failed to reject the null hypothesis.

#### *4.7.3 Tests of association of respondent's opinion on overall training environment with educational level:*

The Pearson chi-square value for the test of association between evaluation of training and educational level is .260 p value (Asym.Sig.) Is .610 (greater than 0.05) so the null hypotheses can be accepted. There is no difference among the respondents' educational level regarding the opinion on training environment. Therefore, it can be summarized that there is no significant association between 'respondent's opinion on training environment and the education level of the trainees. Hence, failing to reject the null hypothesis.



### Section III

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#### Effectiveness of training on job performance of employees

##### 4.8 Factor analysis:

Role of Training Effectiveness Factors In Upgrading Performance of Bank Through MSE, Retail Loan, And Agri Advances:

**Table 4.8 Factor analysis:**

<b>Component Matrix<sup>a</sup></b>					
	Component				
	1	2	3	4	5
In your opinion does training need analysis lead to training effectiveness	-.043	-.770	.297	.142	.104
To what extent you got training according to your job profile	.038	.577	-.001	-.055	.400
Training has provided adequate opportunity to reflect and plan improvements in your task	.339	.324	-.045	.454	.195
You have got encouragement and motivation for your work after having training	.240	.295	-.035	-.458	.364
Training helps in increasing job performance and productivity	-.046	.008	.574	-.091	.326
Training caused to improve personal ability and degree of creativity in credit management	.404	-.057	-.001	.480	.495
Training equipped you to handle credit	.407	.050	.622	.215	-.156
Made improvements in task and job performance by understanding loan policy and credit delegation	.467	.483	.409	.141	-.262

Training equipped to handle various mortgage formalities	<b>.515</b>	-.500	.293	-.254	.177
Training equipped to deal with companies having/needing credit facilities	<b>.874</b>	-.111	-.205	-.176	.028
Training helped to handle post credit follow up correctly as per instructions	.067	-.150	-.256	<b>.656</b>	.197
Training equipped you for sourcing credit with confidence	.479	.091	.118	.191	<b>-.581</b>
Training helped you to prepare credit proposals present to credit hubs with maximum quantitative data	.354	-.129	<b>-.591</b>	.049	-.161
Training equipped for faster and effective credit delivery	<b>.932</b>	.006	-.025	-.100	-.026
Training support credit growth of bank by equipping field level functionaries in dealing credit	<b>.878</b>	-.110	-.182	-.185	.077
Source: Compiled from primary data					
Extraction Method: Principal Component Analysis.					
A. 5 components extracted.					

In this exploratory factor analysis, grouping similar variables of effectiveness of training on job performance into dimensions.

15 factors for the analysis of 'effectiveness of training on job performance' are loaded on to 5 (dimensions) factors using this method. The factors are,

- I. Equipment by training
- II. Influence of training
- III. Performance factor
- IV. Orientation factor
- V. Confidence factor



The highlights in the above table refer to the commonalities in the variables appearing in the same factor in spite of being subjected to different rotation.

- I. **Equipment by training:** it involves 5 sub factors about the equipment of the employees to performance through training.
- II. **Influence of training:** it involves 2 factors reveals the effect of training in their job
- III. **Performance factor:** it involves 3 sub factors about the improvement of task management, job performance and productivity through training.
- IV. **Orientation factor:** it involves 4 factors about the likelihood of a reaction to happen.
- V. **Confidence factor:** it involves only one sub factor about the role of training profession to perform confidently.

**Table 4.9 MSE (micro small enterprises)**

Particulars	Frequency	Percentage
Strongly agree	52	66.7%
Agree	24	30.8%
Undecided	2	2.6%

Source: Compiled from primary data

The figure 4.5 shows the training factors that upgrade the performance of the bank employee through MSE. The effectiveness of basic credit management training programme depends on 5 factors and they are connected to the MSE with a spring (arrow) action. The up and down s of the central factor is only based on this spring movement .When the MSE factor is down (shrink) then the effectiveness of training on job performance is far away. So it's always likely to be in a balanced form. There are five corners for the variable. When any one of the factors over loaded, it leads to unexpected stretch followed by the collapse of the overall performance of bank employee.

So the bank should always keep a good training environment in all levels like content coverage, development of objectives, and proper follow up, performance analysis to upgrade the performance of Bank.

Concept Fig.4.5 Birds Eye view From Above Window Will Show Compactiveness of the Diagram.

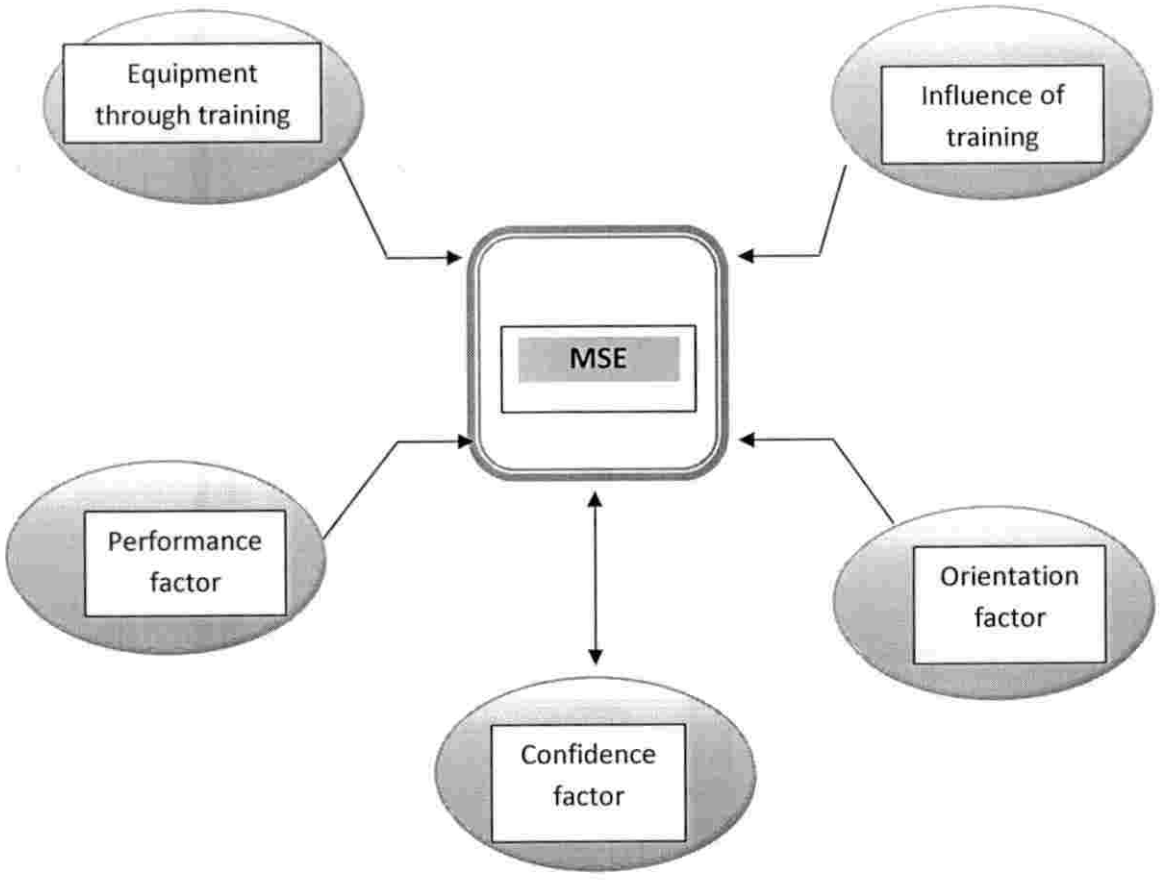


Table 4.10 RETAIL LOAN

Particulars	Frequency	Percentage
Strongly agree	58	74.4%
Agree	18	23.1%
Undecided	2	2.6%

Source: Compiled from primary data

The diagram below shows the training factors that upgrade the performance of the bank employee through Retail Loan.

Concept diagram 4.6 Birds Eye view From Above Window Will Show Compactiveness of the Diagram.

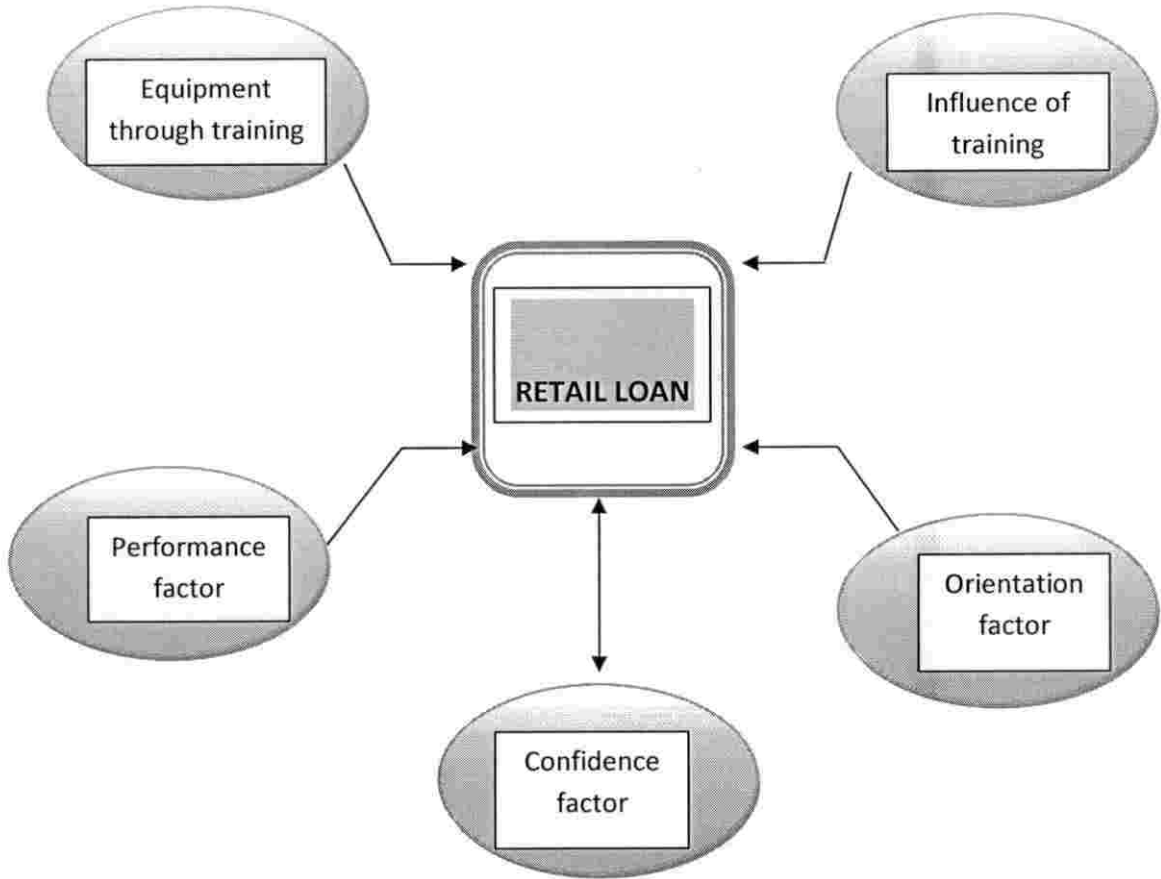


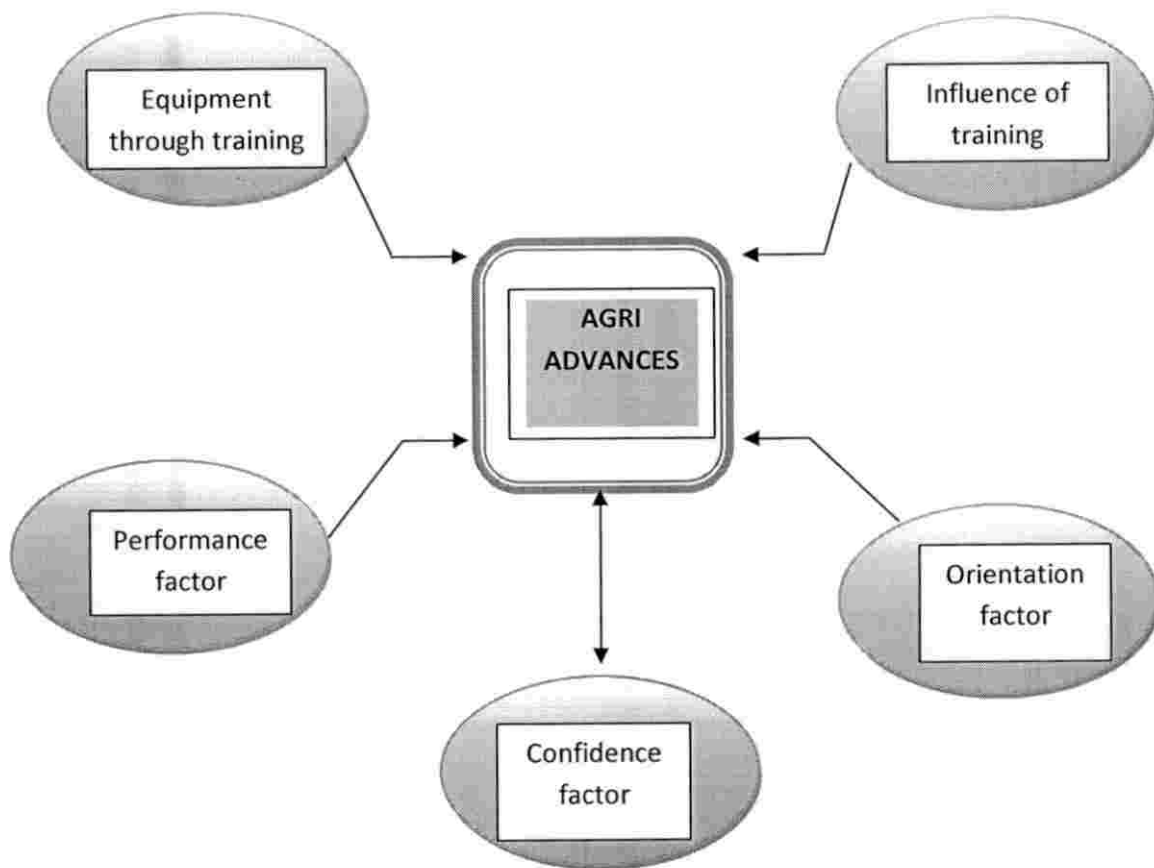
Table 4.11 AGRI ADVANCE

Particulars	Frequency	Percentage
Strongly agree	54	69.2%
Agree	24	30.8%
Undecided	-	-

Source: Compiled from primary data

The figure 4.7 below shows the training factors that upgrade the performance of the bank employee through agri-advances.

Concept fig. 4.7 Birds Eye view From Above Window Will Show Compactiveness of the Diagram.



#### 4.12 Classification of respondents based on training effectiveness on their job performance

The respondents' total opinion score of effectiveness of training on job performance is measured using 19 different opinion parameters on a three point scale. Minimum score is 19 and maximum score is 95.

The table below is based on descriptive statistics of the variable 'Total score of respondent's opinion on overall training environment'. The minimum score obtained is 20 which belong to 'high effectiveness' category and maximum score obtained is 41 (low effectiveness). The mean value is 26.43.

**Table 4.12 Classification of respondents based on training effectiveness on their job performance**

Classification of respondents	No. Of respondents	Percentage
< 26( highly effective)	45	57.69%
26 – 30 (Average)	22	28.20%
30+ (low effective)	11	14.10%

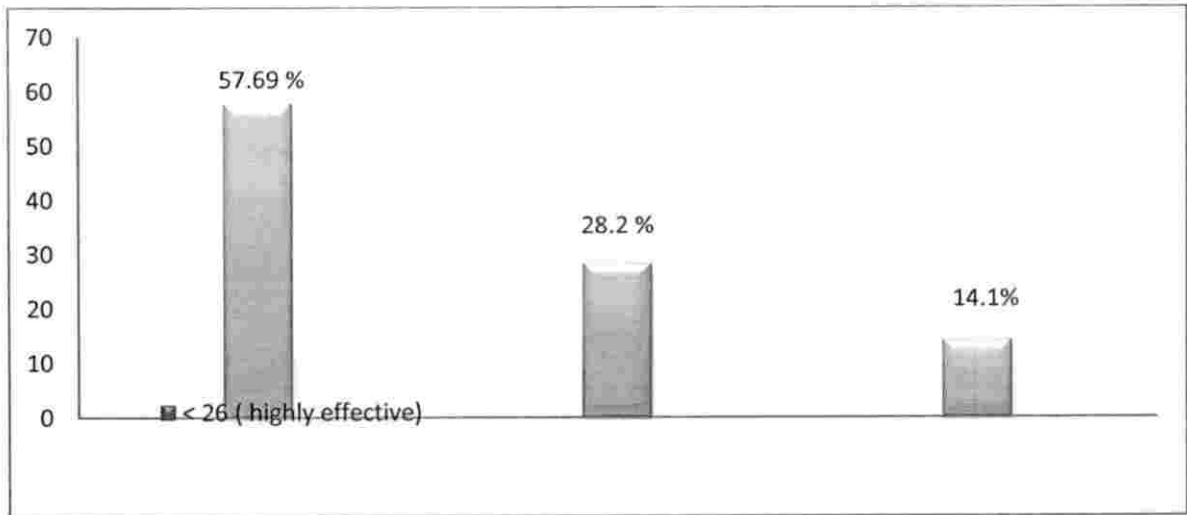
[Mean=26.43, Standard deviation=3.72, Variance=13.85]

Note: Score in descending order are consider to be more affirmative

Source: Compiled from primary data.

This finding is supported by Rothwell and Kazanas (2006), who state that effective employee training leads to an increase in employee performance. Consequently, accuracy, effectiveness, good work, effective safety practices and satisfactory customer services can be expected.

**Fig. 4.8 Classification of respondents based on training effectiveness on their job performance**



**This section analyses the effect of training on employee performance.**

Opinion of the respondents was captured through statements rated on a five point scale.

Score analysis on how much the basic credit management training successes in achieving the goals and objectives of the programme to improve the job performance of the employees

**The responses were assigned weights in the following manner:**

Responses	Value
Strongly agree	1
Agree	2
Undecided	3
Disagree	4
Strongly disagree	5

Based on these scores, index of each statement was calculated. The formula for calculating index is:

$$\text{Index for the statement} = \frac{\text{total score obtained by each statement}}{\text{Maximum obtainable score of the statement}} \times 100$$

Maximum obtainable score for a statement=maximum score obtainable for the opinion x total number of the respondents.

**Table 4.13 The level of effectiveness of 13 factors were categorised into three zones in the following manner**

Effectiveness Index	Level of Effectiveness
<176	High effective
176-200	Effective
Above 200	Not effective

**Table 4.14 Ranking the factors (objectives of training programme), which affects 'the effectiveness of training on job performance of the bank employees'.**

It helps to measure how much the 'basic credit management' training programme much succeeded in achieving their objectives.

N=78

SI No	Particulars	Score	Composite index	Rank
1	Training helped to handle post credit follow up correctly as per instructions	132	33.8	1
2	Training helps in increasing job performance and productivity	110	28.20	2
3	Training equipped to handle various mortgage formalities	102	26.15	3
4	Training has provided adequate opportunity to reflect and plan improvements in your task	101	25.89	4
5	Training equipped for faster and effective credit delivery	101	25.89	4
6	Training equipped to deal with companies having/needng credit facilities	101	25.89	4

7	Training helped you to prepare credit proposals present to credit hubs with maximum quantitative data	101	25.89	4
8	Training support credit growth of bank by equipping field level functionaries in dealing credit	100	25.64	5
9	Made improvements in task and job performance by understanding loan policy and credit delegation	100	25.64	5
10	Training caused to improve personal ability and degree of creativity in credit management	98	25.12	6
11	Training equipped you for sourcing credit with confidence	97	24.87	7
12	You have got encouragement and motivation for your work after having training	94	24.10	8
13	Whether the training programme has the increase in knowledge	78	20	9
Total		1315	337.08	

Source: Compiled from primary data

The indices of the 13 variables considered ranged from 20 to 33.8 .It may be noted that all the variables were in the highly effective zone (Less than 176). As a whole the trainers more satisfied in the factor ‘training helped to handle post credit follow up correctly as per instructions’ (33.8). Also they are very much satisfied on the various factors like ‘training to handle various mortgage formalities’ (26.15), ‘training has provided adequate opportunity to reflect and plan improvements in task’, ‘faster and effective credit delivery management etc.

By analyzing these factors, it is clear that employees are satisfied with the result of training objectives in their job). i.e., ‘training helps them in increasing job performance and productivity (28.20). The least scored training objective is training has the increase in knowledge. But it is also coming under the high effective zone.



#### 4.15 Tests of association of effectiveness of training on job performance through delivery of topics MSE, retail loan and agri advances

To know whether there is any association effectiveness of training on job performance with delivery of topics MSE, retail loan and agri advances and chi-square test can be done. The following hypotheses can be tested.

**Null hypothesis 1:** There is no association between effectiveness of training on job performance with delivery of topic MSE.

**Alternate hypothesis 1:** There is association between effectiveness of training on job performance with delivery of topic MSE.

**Null hypothesis 2:** There is no association between effectiveness of training on job performance with delivery of topic, retail loan.

**Alternate hypothesis 2:** There is association between effectiveness of training on job performance with delivery of topic retail loan.

**Null hypothesis 3:** There is no association between effectiveness of training on job performance with delivery of topic agri advances.

**Alternate hypothesis 3:** There is association between effectiveness of training on job performance with delivery of topic agri advances.

**Table 4.15 Findings of tests of association of effectiveness of training on job performance with delivery of topics MSE, retail loan and agri advances**

Test of association between variables (N=78)	Pearson chi-square test value	Asym.Sig. (p- value)	Association	No Association
Effectiveness of training on job performance with delivery of topic MSE	71.48	.000	✓	-
Effectiveness of training on job performance with delivery of topic Retail loans.	77.40	.000	✓	-
Effectiveness of training on Job performance with delivery of topic agri advances.	17.11	.378	-	✓

Source: Compiled from primary data

#### 4.15.1 MSE (Micro small enterprises)

From the table 4.6.1, we get  $\chi(1) = 71.48, p = .000$  (Less than .001). This tells us that there is statistically strong and significant association between Effectiveness of training on job performance with effective delivery of topic MSE; that is; involvement of the topic MSE in basic credit management training programme helps the bank employees to upgrade their job performance in an effective manner.

The null hypothesis is rejected.

#### 4.15.2 Retail loans

In the case of Effectiveness of training on job performance with delivery of topic Retail loans,  $\chi(1) = 77.40, p = .000$  (Less than .001). here is also strong and significant association between Effectiveness of training on job performance with delivery of topic retail loans.

The null hypothesis is rejected.

#### 4.15.3: Agri advances

The Pearson chi-square value for the test of association between **effectiveness of training on job performance with delivery of topic agri advances** is 17.11 with the p value (Asym.Sig.).378 (greater than 0.05). since table value is greater than the minimum expected count (0.31) at 5 % level of significance (alpha value); **fail to reject the null hypotheses.**

Therefore, it can be summarized **that there is no significant association between effectiveness of training on job performance with delivery of topic agri- advances.**

Proper deliver of topics MSE and retail loan helps the employee to handle these policies in a very good manner. It results in total monetary advantages and also gives direction to individual and organizational improvement in the organization.

**4.16 To study whether follow-up and handholding support from FKDC after ‘basic credit management’ training programme has any effect on employee performance.**

**Null hypothesis:** There is no relationship between follow-up and handholding support after training and job performance of managers in credit management.

**Alternative hypothesis:** There is relationship between follow-up and handholding support after training and job performance of managers in credit management.

**Table 4.16 Follow-up/ handholding support and effectiveness of training on employee performance - ‘Cross tabulation’**

N=78

			Effectiveness of training on employee performance			Total
			Highly effective	Average	Least effective	
<b>Follow-up / handholding support</b>	Good	Count	28	22	11	61
		Expected Count	34.2	17.9	8.9	61.0
	Moderate	Count	13	0	0	13
		Expected Count	7.3	3.8	1.9	13.0
	Low	Count	1	0	0	1
		Expected Count	.6	.3	.1	1.0
<b>Total</b>		<b>Count</b>	42	22	11	75
		<b>Expected Count</b>	42.0	22.0	11.0	75.0

Source: compiled from primary data

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	96.394 <sup>a</sup>	32	.000
N	78		

92.2% have expected count less than 5. The minimum expected count is .01.

The chi square test has been applied to prove statistically whether there is any relationship between the variables used for the study. The Pearson Chi-square value is 3.466 and the p value (Asymp. Sig.) is 0.000 (less than 0.05). So the null hypothesis is rejected.

Hence we accept the fact that there is relationship between 'follow-up and handholding support after training' and 'job performance of employees in credit management'. The proper follow-up and handholding support from FKDC helps the employees to refresh the knowledge and do the work better. So it leads to better and good job performance of the employees in bank'. It also helps the trainers to know that whether the training has any effect on employees performance.

#### 4.17 Correlation of the variables 'training effectiveness with age and educational qualification.

Correlation was conducted to assess if differences exists between age and educational level, among respondents on training effectiveness on job performance.

**Table 4.17 Correlation of the variables 'training effectiveness with age and educational qualification.**

N=78

Kendall's tau_b		Age of the respondent	Educational Qualification
Effectiveness Of training	Correlation Coefficient	-.332**	.219*
	Sig. (2-tailed)	.001	.050
	N	78	78

Source: Compiled from primary data

\*. Correlation is significant at the 0.05 level (2-tailed).

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

Table 4.17 shows that effectiveness of training on job performance is negatively correlated with age ( $r=-0.332$ ) at 0.01 significant level.

It shows that training is more effective on the job performance of young people. Age affects the individual's job performance. If an insight gets into the career stages then it appears that in the early phase of employee career, individuals are usually full of enthusiasm and energy to perform well and to explore his or her growth opportunities in organization. But in the middle of his or her career individual is not as energetic as earlier phase of career due to some factors like job security, higher aspirations etc. And as individual moves forward in his or her career, experience increases and performance chart may goes up.

This finding is similar to the finding of the studies conducted by Sumita Chattopadhyay and Gupta, Ajay (2005), Jurgan et al. (2008). The mentioned researchers have found that age is significantly related with job performance of employees. On the other hand this finding is contrary to the study conducted by Thomas and Daniel (2008). And also the result indicates that effect of training on job performance of Federal Bank employee is positively correlated with educational qualification ( $r = .050$ ) at 0.05 significant level. The employee of The Federal Bank is well educated (91.02 % post graduates and 8.91 % graduates).

Educated people can do tasks easily and efficiently compared to those who are educated lesser. This is in accordance with the dictum  $\square$ knowledge is power $\square$ . It implies that Federal Bank employees can perform better at tasks to upgrade the bank performance and productivity. This finding of the present study not goes with the result of the study conducted by (Posner, 1992). The researcher reported that performance of employees is not moderated by the education.

**Table 4.18 Response analyses on 'to what extend employees got training according to their job profile**

Table 4.18 shows the Statistical analysis of 'To what extend employees got training according to their job profile responses with regard to basic credit management training programme.

N=78

Responses	Scaling	Frequency	Percentage
Strongly agree	1	52	66.7
Agree	2	24	30.8
Undecided	3	2	2.6
Disagree	4	0	-
Strongly disagree	5	0	-
Total		78	100

Source: Compiled from primary data

[Mean=1.36, SD=.534, Skewness=1.117, x<sup>2</sup>-48]

Note: Score in descending order are consider to be more affirmative

From the Opinion of the respondents, it is observed that 66.7% respondents have rated their satisfaction as ‘strongly agree’ towards the training they got, where as 30.8% employees agree to the fact that they got training accordance to their job profile. However, It is found that mean score of the responses is lower than the standard Score; Skewness shows that responses are skewed towards the lower grade. Effectiveness of Training programme on job performance is being measured with the help of enlisting the responses of employee.

Chi-square is used to test the hypothesis .It is observed from the chi-square value that the null hypothesis can be rejected ( $p=.000$ , i.e.  $< 001$ ). The above reports results from the relevance of the trainings received by the respondents to their work. Majority of the respondents (52 representing 66.7%) reported clear effectiveness of these trainings on their work

**Table 4.19 To rate the overall effectiveness of the “basic credit management” training programme on job performance**

As per the study conducted that the rate extant to training has helped to improving job performance is shown in table 4.10.

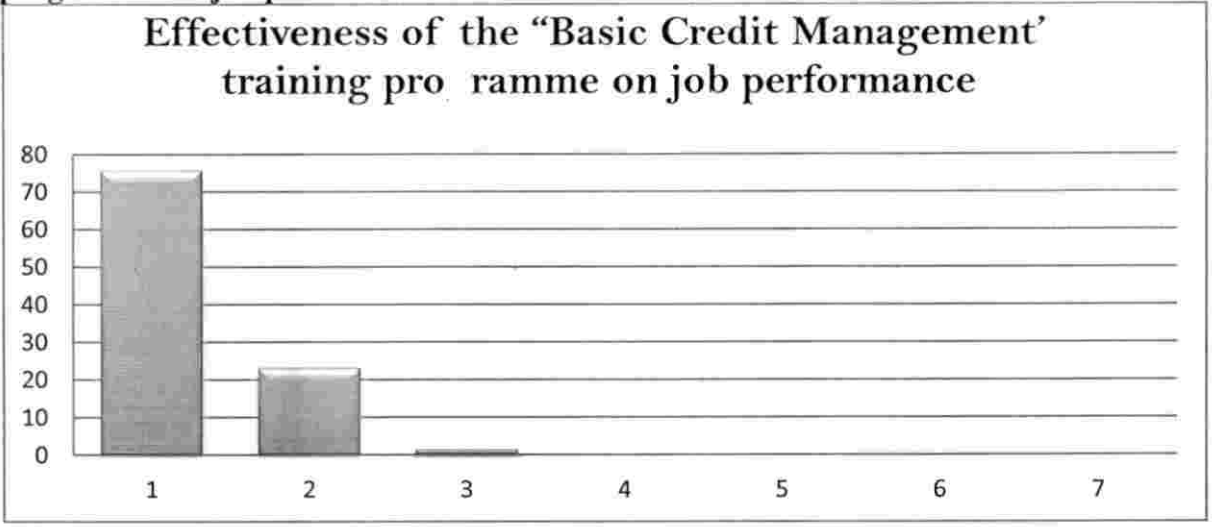
	<b>Frequency N=78</b>	<b>Percent</b>	<b>Cumulative percent</b>
Excellent	59	75.64	75.64
Very Good	18	23.07	98.71
Good	1	1.3	100

Source: compiled from primary data

The results clearly indicate that 77 respondents representing a great percentage of 98.71% link training to their improved performance. This result is in line with prior literature which presents that training effect employee performance partly through improving employee skills which enables them know and perform their jobs better (Harrison 2000).

It can interpret that the employees feel comfortable on their job after getting training. But still it can be improved which will help workers to improve performance and productivity

Fig. 4.9 Rating overall effectiveness of the “Basic Credit Management” training programme on job performance



4.20 To study whether training environment has any effect on employee performance.

According to (Martin, 2010; Ford, 1997). Training environment have an effect on training effectiveness on human resource practices among employees.

**Null hypothesis:** There is no relationship between training environment and effect of training on job performance.

**Alternative hypothesis:** There is relationship between training environment and effect of training on job performance.

		Opinion on training environment	
		High opinion	Average
Effectiveness of training on employee performance	Highly effective	42	0
	Average	22	0
	Least effective	8	6

*Chapter - 5*

*Summary of findings and Suggestions*

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### Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.182 <sup>a</sup>	2	.000

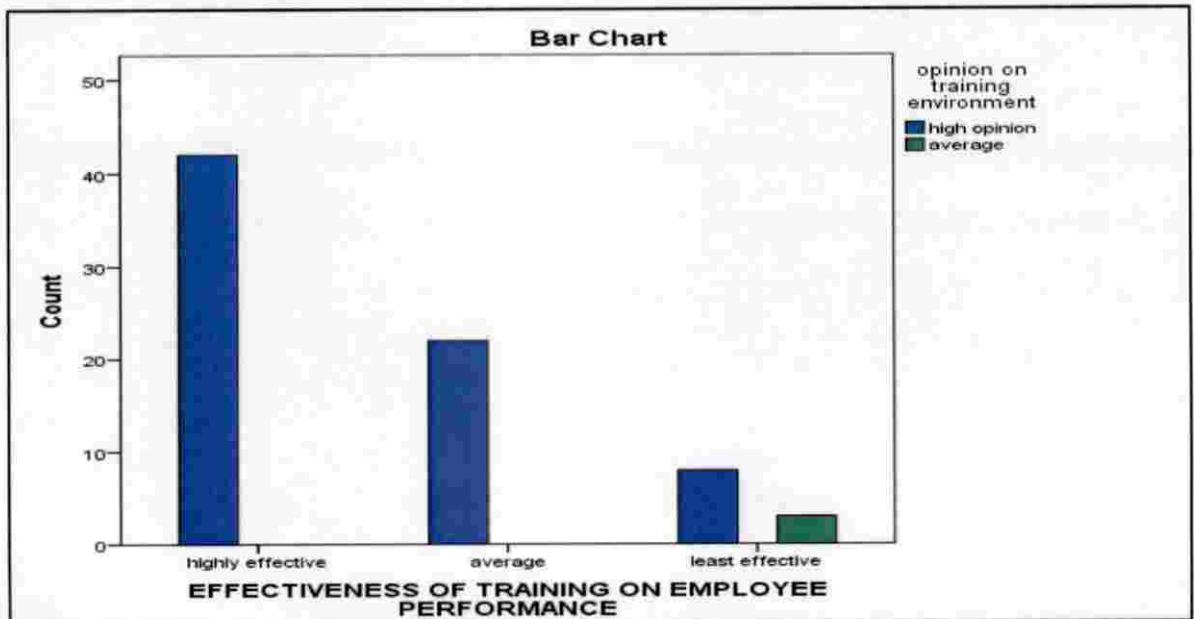
A. 3 cells (50.0%) have expected count less than 5. The minimum expected count is .44.

Source: compiled from primary data

This study proposed that work environment would affect training effectiveness on job performance in Federal Bank. Hence, to determine to what extent the work environment influence the employees' training effectiveness on human resource practices, chi-square test was conducted. The results of chi-square analysis indicated a significant p value  $p < 0.01$  (0.00). Therefore, it can be concluded that the training environment helps the employees to absorb the content of the training programme more ease. It also results in the job performance improvement.

**Fig. 4.10 Effectiveness of training on employee performance and opinion on training environment –‘Cross tabulation’**

The result in the figure 4.10 shows that training environment influencing the probability positive outcome for employees. The result was consistent with previous studies who found that training has positive outcome in organizational performance (Martin, 2010; Ford, 1997).



## CHAPTER - 5

### SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSIONS

#### 5.1 Introduction

The purpose of this research was to analyze the effectiveness of training on job performance of employees of the Federal Bank Limited. The study covered 78 employees, who had attended the 'basic credit management' training programme of the 2015 year (last 6 programmes).

#### Key observations made

##### *Training environment:*

- I. Content and coverage of the training programmes.
- II. Delivery of training programme by trainers.
- III. Methodology of training programmes.
- IV. The elements of training like need assessment, participant selection, curriculum development, allocating resource personnel, organizing facilities, delivery of training, evaluation process.
- V. A profile study of (trainees) employees, who had undertaken the basic credit training programmes during the period (2015).

##### *Effectiveness of training on job performance*

- I. Training objectives. Are they successes or not?
- II. Perceived improvement in job performance

This chapter deals with summary of findings (qualitative and quantitative dimensions), suggestions and conclusions of the study.

#### 5.2 Profile study of the trainees

- I. Of the total 78 trainees examined, 55% of the employees were male and 44.9% were female employees.
- II. Out of the 78, majority of the respondents (42.3%) are of between 26-30 years old, followed by 20-25 year age group (37.2%). The cumulative percentage of this age group is almost 80 percentages which indicates that the Federal Bank employees

attending these training programmes are mainly of the young people. It may be also rated that 14% of the respondents attending training are of age group 31-35 and another 6.4 % are above 35 years old.

- III. Out of the 78 total employees examined for the study of the employees, most of the respondents are post graduates i.e., 91 %. About 8.97% have pursued degree in various fields of interest. It reflects the higher competency of a workforce with higher qualifications which definitely results in a better job performance of the employees if they are exposed to such training programmes.

Similarly the organization will not find any difficulty to impart training in innovative programme like that of credit management, as the employees are very much competent to acquire more knowledge and skills.

- IV. 48.7 percentages of employees having only 1-3 years of experience. 29% of the employees have 4-6 years of work experience. And 11 percentages have 7 years and more years of work experience in Federal Bank.

### 5.3 Analysis of training environment and effectiveness of training on job performance:

#### *5.3.1 Identification of Training Needs and Objectives*

- I. A trainer's concerns before starting of the training programme lies mainly on clarifying the training objectives based on the identified training needs. Through the training needs identified we can know the gap in performance. Therefore, the training needs identified have to be suitably converted into training objectives from drawing an outline for the training programme. A well-defined training objective helps to design an effective training module. The training objectives give direction to the entire training programme.

#### *The main purpose of training programme:*

- a) To equip first time branch heads and second line officers to handle credit.
- b) To familiarize policies and procedures for faster quality delivery of MSE, retail, and Agri- advances in a branch.
- c) To equip participants to sourcing credit with confidence, prepare credit proposals, and present to credit hubs with maximum qualitative data for faster and effective credit delivery.

- d) Support credit growth of the bank by equipping field level functionaries in dealing credit.

**5.2.2 Favorable learning environment**

There are several factors that influence the employee’s opinion on training environment. These are the determinants that affect the training quality also. Favourable training environment is the most important thing for learning. FKDC takes all necessary steps to facilitate an effective trainee learning experience by considering the factors for ensuring physical comfort to the trainees, providing a climate of mutual control and facilitation, encouraging effective participation and interaction among the participants, receiving the ideas of participants with an open mind and showing a genuine concern for participants’ interest, making every effort to secure the timings of the session.

This is highlighted by the respondents rating of the employee’s opinion on training environment. 79.5 percent of the respondents rate the physical facilities available FKDC as good. 70.5percentages of the respondents rate the training facilities provided as good.

96.15% of the respondent’s gives high opinion about the overall training environment .and 3.84% gives an average opinion

- I. Association of employee’s opinion on training environment with their demographic parameters is tested by using the non-parametric test called as chi-square test. For this, hypotheses were made accordingly. From the statistical test of association it was found that,
  - a. There is no significant association between the respondent’s opinion on training environment and gender.
  - b. There is no significant association between the respondent’s opinion on training environment and age.
  - c. There is no significant association between the respondent’s opinion on training environment and the education level of the trainees.

**5.2.3 Effective Delivery Of Topics**

A good presentation or delivery of the topics is an important component in a training programme. The clarity of the trainer, his enthusiasm, confidence, and presentation style are the factors influencing the success of a training programme. In addition, the voice

modulation, facial expression and body language of the trainer are most important in deciding about the attractiveness. Other factors such as expectancy, utility factor and self evaluation are greatly responsible in influencing the success.

The best trainers are those who want the trainees to learn and expect that the participants are capable of learning. The effective trainers while presenting their topics develop and form high but reasonable expectations about the trainees learning and performances. Their expectations are to be communicated to the trainees through verbal and non-verbal means. Effective trainers always ensure that the topics covered are of practical use and evoke interest in the participants. Further, what is learnt are also to be linked with the job or work situation.

71.8 percent of the respondents have good opinion regarding the communication skills of the trainers and resource personnel delivering the various topics. 80.76 percent of the respondents were of the suggestion that the training methodology were good for understanding specific skills. 59 percent of the trainees opined that there exists a good rapport between the trainee and trainer and it helps in understanding individual needs, understanding their limitations and also to implement the learnt skills in their existing conditions. 64 percent of the trainees opined the trainers motivating role as good.

#### **5.2.4 Evaluation**

Evaluation means assessment of value of merits of a programme. Evaluation can help in assessing gain in knowledge, skills or attitudes due to training. Reactions of participants can be known. Usefulness of methods and approaches used can be gauged. Above all, overall effect of training on work performance can be measured. Evaluation should be done soon before training begins, during the course of training and after the training is over; Pre-training evaluation helps in understanding level of participants at entry point.

Observations and data collected during the process of training, point out lacunae and merits in implementation of training. 78.2 percent of respondents consider the evaluation methods adopted as good which helped to continuously improve the training programmes based on the changing needs and requirements to improve the job performance.

**Post-training evaluation** is meant to measure effectiveness. The self evaluation is also an important aspect of the training programme. The self evaluation helps to improve the

trainers' skills and make necessary corrections in their approach in making the training programmed a successful one. 78.2 percent of the respondents opined that the follow up and handholding support of FKDC is good and 20.5 percent were having moderate opinion in this regard.

### 5.2.5 Assessment of effectiveness of training on job performance

- I. 57.69 percent of the trainees were of the opinion that the training programmes enabled them to apply the learnt skills in their job. It reflects the effect created by the training on the beneficiaries and 100percentage of respondents said that the training helps to increase their knowledge.
- II. The training programmes were highly useful for the beneficiaries in response to their high rating on EFFECTIVENESS of training on job performance (57.69%) percentages and 28.20% rated as average. 14.10% rated low in this regard. This shows that the training programmes were very successful and useful.
- III. Tests of association of effectiveness of training on job performance with delivery of topics MSE, retail loan and agri advances
- IV. To know whether there is any association effectiveness of training on job performance with delivery of topics MSE, retail loan and agri advances and chi-square test is conducted. The following results are found,
  - a. There is association between effectiveness of training on job performance with delivery of topic MSE.
  - b. There is association between effectiveness of training on job performance with delivery of topic retail loan.
  - c. There is no association between effectiveness of training on job performance with delivery of topic agri advances.
- V. Correlation between 'effectiveness of training with age and years educational qualification was tested by using Kendall's correlation.  
Effectiveness of training is significantly, positively correlated with educational qualification and it is negatively correlated with age.

We can conclude that training has more effect on job performance of young people. Age affects the individual's job performance. If an insight gets into the career stages then it appears that in the early phase of employee career, individuals are usually full of enthusiasm and energy to perform well and to explore his or her growth opportunities in organization.

But in the middle of his or her career individual is not as energetic as earlier phase of career due to some factors like job security, higher aspirations etc. And as individual moves forward in his or her career, experience increases and performance chart may goes up.

And also the result indicates that effect of training on job performance of Federal Bank employee is positively correlated with educational qualification( $r = .050$ ) at 0.05 significant level. The employee of The Federal Bank is well educated (91.02 % post graduates and 8.91 % graduates).

Educated people can do tasks easily and efficiently compared to those who are educated lesser. This is in accordance with the dictum "knowledge is power". It implies that Federal Bank employees can perform better at tasks to upgrade the bank performance and productivity.

**VI. Ranking of training objectives that upgrade employee performance**

- a. Training helped to handle post credit follow up correctly as per instructions
- b. Training helps in increasing job performance and productivity
- c. Training equipped to handle various mortgage formalities
- d. Training has provided adequate opportunity to reflect and plan improvements in your task
- e. Training equipped for faster and effective credit delivery
- f. Training equipped to deal with companies having/needng credit facilities
- g. Training helped you to prepare credit proposals present to credit hubs with maximum quantitative data
- h. Training support credit growth of bank by equipping field level functionaries in dealing credit
- i. Made improvements in task and job performance by understanding loan policy and credit delegation
- j. Training caused to improve personal ability and degree of creativity in credit management
- k. Training equipped you for sourcing credit with confidence
- l. You have got encouragement and motivation for your work after having training



m. Whether the training programme has the increase in knowledge

VII. In overall analysis about the effectiveness of basic credit management training programme 75.64 percentage respondents rated as excellent.23.07 as very good and 1.3 percentage as good.

VIII.

- a. 'Trainings are given accordance with the job profile' has a positive effect on employee performance. There is a relationship between 'training accordance with job profile' and employee performance in credit management (p=.000).
- b. The follow-up and handholding support after training has significance on employee performance.
- c. Training environment and effect of training on job performance are significantly associated.

Work environment would affect training effectiveness on job performance in Federal Bank. Hence, to determine to what extend the work environment influence the employees' training effectiveness on human resource practices, chi-square test was conducted. The results of chi-square analysis indicated a significant p value  $p < 0.01$  (0.000). Therefore, it can be concluded that work environment affects the job performance employees.

5.3 SUGGESTIONS

- I. Ensure that a comprehensive and systematic approach to training exists, and training and retraining are done at all levels on a continuous and ongoing basis.
- II. Ensure that training contribute to competitive strategies of the organization Different strategies need different HR skill for implementation. Let training help employees at all levels acquire the needed skill.
- III. The management must commit itself to allocate major and sufficient resources and adequate time to training.
- IV. Post training feedback has to be continuous and should also be taken from employees to find out the effectiveness and valuation of training.



- V. The evaluation procedure must be implemented concerning trainer, trainee and subject. Besides questionnaire other methods of post training evaluation should also be used to measure effect of training on job performance (like interviews, self diaries, observation)
- VI. Ensure that there is proper linkage among organizational, operational and individual training needs.
- VII. Material adequacy: the management should focus a bit more on the adequacy of materials and handouts provided at basic credit management training programme.
- VIII. The organization has to concentrate more on employees who are not satisfied with the present training methods; they have to be counseled to know their reasons for not being satisfied. So that effectiveness can be achieved.
- IX. The identification of the training needs should be done in view of fast changing technology, management practices and infrastructure.
- X. A standard measures before and after each training program on level of knowledge, skills, attitudes and behavior. Will help to measure its effectiveness more accurately.

**5.4 Conclusion**

The main objective of every training session is to add value to the performance of the employees, hence all type of organizations design training programs of their employees as a continuous activity. Purpose 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. But Federal Bank is always trying to conduct training programme based on employee’s needs and expectations. Therefore, they design the training program with clear goals and objectives while keeping in mind the particular needs of both individual and the organization.

This study in hand chiefly focuses on the role of training in enhancing the job performance of the employees (Federal Bank Limited). It reveals that training plays vital role



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in the building of competencies of new as well as current employees of Federal Bank to perform their job in an effective way. It also prepares employees to hold future position in organization with full capabilities and helps to overcome the deficiencies in any job related area. FKDC considers training as that sort of investment by the organization that not only brings high return on investment but also supports to achieve competitive advantage in banking industry.

Employees referred as the rare, non-imitable and valuable resource of the Federal Bank Limited. So they believe that the success or failure of organization mainly relies on its employee's job performance. Thus, 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 job performance; as it can enhance the level of employee and organizational competency. It supports to fill the gap between what performance is required and what performance is happening, i.e. Gap between desired performance and actual employee performance.

From the result it is proved that 'training need referred to any deficit in performance, which can be relieved by appropriate training'. So Federal Bank adopting proper training to overcome deficiencies in employee performance on job, particularly from my study on 'basic credit management' it is clear that training conducted in FKDC develops skills, competency, and ability ultimately improves employee performance and an organizational productivity. Training program is the stimulant that employees require to improve their performance and capabilities, which consequently increase organizational productivity. Therefore, Federal Bank is designed training on the basis of job specific needs and objectives.

Effective training is the thoughtful intervention designed at attaining the learning necessary for upgraded employee job performance. Hence it can be concluded that the 'basic credit management' training has a positive effect on job performance of managers of **The Federal Bank Limited.**

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## ABSTRACT

Training has the distinct role in the achievement of an organizational goal by incorporating the interests of organization and the workforce (stone, 2002). Training is the most important factor in an organization because training increases the efficiency and the effectiveness of both employees and the organization.

The study entitled '**THE EFFECTIVENESS OF TRAINING ON BASIC CREDIT MANAGEMENT – A STUDY IN THE FEDERAL BANK LIMITED**' was undertaken with the objective of analyzing the effectiveness of training (Basic Credit Management- 6 programmes of 2015 year) on job performance of employees of the Federal Bank Limited. The both primary and secondary data were used. The primary data were collected by using convenience sampling method of 78 employees through mailed questionnaire and telephonic interview. Secondary data were collected from company website, previous reports, organizational manuals, journals and other online source. The collected data were analyzed with the help of statistical tools such as percentage, chi-square test, correlation, factor analysis and indices. The study reveals that the employees are very much satisfied on the training environment and also their responses shows that the basic credit management training programme upgrades the job performance of federal bank employees. Human resource capital of organization plays an important role in the growth and the organizational performance. So to improve the organizational performance through the employee performance, Federal Bank is giving proper training to the employee.

*Appendix*

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**MBA AGRIBUSINESS MANAGEMENT  
COLLEGE OF COOPERATION BANKING AND MANAGEMENT  
KERALA AGRICULTURAL UNIVERSITY, VELLANIKARA- THRISSUR**



**EFFECTIVENESS OF TRAINING ON JOB BASIC CREDIT MANAGEMENT- A  
STUDY IN THE FEDERAL BANK LIMITED  
QUESTIONNAIRE  
(FOR ACADEMIC PURPOSE ONLY)**

**SECTION A**

1. Name (optional):

2. Gender: Male  Female

3. Age :

20-25yr  25-30yr  30-35yr  above 35yr

4. Branch: .....

5. Educational qualification

Graduate ..... (Specify)

Post graduate ..... (Specify)

6. Years of work experience

1)1 – 3

2)4-6

3)7+

**SECTION B**

Please indicate your level of agreement towards “Basic credit management” training programme

SI no	UTILITY	OPINION		
		Good	Moderate	Low
1	The physical facilities available for learning			
2	The course of content covered during training session			
3	Training facilities provided			
4	Time and duration			
5	The communication of the trainer especially clarity			
6	The rapport between trainer and participants			
7	The motivation role of the trainer			
8	Training methodology adopted			
9.	Whether the training programme has the increase in knowledge Yes No Can't say			
10	Evaluation methods adopted			
11	Follow-up/ handholding support			
12	Overall quality of training programme			

**SECTION C**

How do you rate the effectiveness of the “Basic Credit Management “training programme on your job?

Show your preference with a tick mark for the option you choose.

SI NO.	Factors	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1.	In your opinion does training need analysis lead to training effectiveness					
2.	To what extent you got training according to your job profile					
3.	Duration of training programme have an influence on effectiveness of training					
4.	Training has provided adequate opportunity to reflect and plan improvements in your task					
5.	You have got encouragement and motivation for your work after having training					
6.	Training helps in increasing job performance and productivity					
7.	Training caused to improve personal ability and degree of creativity in credit management					
8.	Training equipped you to handle credit					
9.	Training helped in familiarizing policies and procedures for faster quality delivery of following factors in branch					
	A) MSE					
	B) Retail loan					
	C) Agri advances					
10.	Made improvements in task and job performance by understanding loan policy and credit delegation					
11.	Training equipped to handle various mortgage formalities					
12.	Training equipped to deal with companies					

	having/needing credit facilities					
13	Training helped to handle post credit follow up correctly as per instructions					
14	Training equipped you for sourcing credit with confidence					
15	Training helped you to prepare credit proposals present to credit hubs with maximum quantitative data					
16	Training equipped for faster and effective credit delivery without stress					
17	Training support credit growth of bank by equipping field level functionaries in dealing credit					

18. Rate basic credit management training programme based on its effectiveness

Excellent

very good

Good

Satisfactory

Poor

19. Any suggestions to provide for further improvement for the programme to improve job performance?

.....

.....

.....

.....

.....

1. Physical facilities
2. Content
3. Training facilities
4. Implementation
5. Feedback from customers

*Thank you for your valuable time...*

Appendix II

4.1.1 FACTOR ANALYSIS

Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.752	25.012	25.012	3.752	25.012	25.012
2	1.678	11.188	36.200	1.678	11.188	36.200
3	1.566	10.442	46.641	1.566	10.442	46.641
4	1.353	9.021	55.662	1.353	9.021	55.662
5	1.227	8.181	63.844	1.227	8.181	63.844
6	.994	6.628	70.471			
7	.890	5.935	76.406			
8	.793	5.287	81.694			
9	.659	4.396	86.090			
10	.553	3.686	89.776			
11	.504	3.361	93.137			
12	.450	3.002	96.139			
13	.367	2.445	98.584			
14	.156	1.043	99.627			
15	.056	.373	100.000			

Appendix III

Table 4.4.1 Frequency distribution of respondent's effectiveness of training on job performance

SI NO.	Factors	FREQUENCY (PERCENTAGE)				
		Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1.	Training need analysis lead to training effectiveness	43 (55.1%)	32 (41%)	3 (3.8%)	-	-
2.	Training according to your job profile	52 (66.7%)	24 (30.8%)			
3.	Duration of training programme have an influence on effectiveness of training	63 (80.8%)	14 (17.9%)	1 (1.3%)		
4.	Training has provided adequate opportunity to reflect and plan improvements in your task	63 (80.8%)	14 (17.9%)	1 (1.3%)		
5.	Got encouragement and motivation for your work after having training	56 (71.8%)	21 (26.9%)	1 (1.3%)		
6.	Training helps in increasing job performance and productivity	47 (60.3%)	30 (38.5%)	1 (1.3%)		
7.	Training caused to improve personal ability and degree of creativity in credit management	59 (75.6%)	18 (23.1%)	1 (1.3%)		
8.	Training equipped to handle credit	50 (64.1%)	2 (34.6%)	1 (1.3%)		
9.	Training helped in familiarizing policies and procedures for faster quality delivery of following factors in branch					
	A) MSE	52 (66.7%)	24 (30.8%)	2 (2.6%)		
	B) Retail loan	58 (74.4%)	18 (23.1%)	2 (2.6%)		
	C) Agri advances	54 (69.2%)	24 (30.8%)			
10.	Made improvements in task and job performance by understanding loan policy and credit delegation	58 (74.4%)	18 (23.1%)	2 (2.6%)		



11.	Training equipped to handle various mortgage formalities	56 (71.8%)	21 (26.9%)	1 (1.3%)		
12.	Training equipped to deal with companies having/needng credit facilities	55 (70.5%)	22 (28.2%)	1 (1.3%)		
13.	Training helped to handle post credit follow up correctly as per instructions	34 (43.6%)	35 (44.9%)	8 (10.3%)	1 (1.3%)	
14.	Training equipped for sourcing credit with confidence	60 (76.9%)	17 (21.8%)	1 (1.3%)		
15.	Training helped to prepare credit proposals present to credit hubs with maximum quantitative data	52 (66.7%)	25 (32.1%)	1 (1.3%)		
16.	Training equipped for faster and effective credit delivery	56 (71.8%)	21 (26.9%)	1 (1.3%)		
17.	Training support credit growth of bank by equipping field level functionaries in dealing credit	57 (73.1%)	20 (25.6%)	1 (1.3%)		

