

Employee's Perception on Training Effectiveness: A Comparison of Government and Private Banks of Bangladesh

ARTICLE
SAMSMRITI – The SAMS Journal
ISSN 0976-304X

Vol. 12(2), Jul-Dec 2018
& Vol. 13(1), Jan – Jun 2019
pp. 93-100



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Abstract:

In the competitive world of business organizations are emphasizing on training to make employees more effective and efficient for their sustainability. In Bangladeshi context, the national economy is significantly supported and established through the banking sector which is changing rapidly. The organizations are investing more on training to cope with the challenging situation. The success of training program depends on training perception which employee carries. Several studies have been conducted on this topic where most of the researchers focus on the effect of training on employee performance. However, this research compared the employee's perception of government and private banks regarding training effectiveness. The study is based on a self-developed questionnaire where Likert Scale was used to collect data from the sample size of 150. The data analysis was done using SPSS Ver. 20 and Crosstab, frequency table were used to generate results. It is evident in this research that there is significant relationship with the type of bank and the employee's perception regarding the effectiveness of training program. The study will help the government and private banks to focus on factors which influence the perception of the employees regarding training effectiveness.

Key Words: Bank; Employee's perception; Training effectiveness.

1. Introduction

Banking sector of Bangladesh is one of the major sectors which contribute significantly to the national economy. The sector comprises a number of banks in various categories. Considering ownership the sector can be classified in to four major categories such as Nationalized Commercial Banks (NCBs), Specialized Banks (SPBs), Private Commercial Banks (PCBs) and Trans-National Banks (TNBs) (Islam, 2001). The commercial banks are now considered the nerve system of all economic development in the Bangladesh. Commercial banks are now using latest information technology, competing in the open market with high technology system and changing from domestic banking to investment banking. So training is an essential part for these organizations to cope up with the changing environment.

Training programs in organizations provide a variety of benefits. For example, organizations gain through the improved performance and increased productivity that accompany employee development, while employees enjoy extrinsic and intrinsic rewards associated with skill development and performance improvement. However, there has been growing concern

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regarding the costs and effectiveness of training and organizational development programs. The training is effective if the trainees can transfer the training to the job. Positive transfer of training represents the extent to which trainees apply the knowledge, skills, and attitudes gained in the training context to the job (Wexley and Latham, 1981). If employees do not effectively transfer the trained skills to the job-site, then clearly neither the employee nor the organization profits from the training. Therefore, the effectiveness of transfer of training plays a major role in determining the utility of training. Unfortunately, the research on training and development in the human resource management area has not fully addressed the critical aspects of the transfer process or generated a comprehensive body of knowledge. Although the individual (trainee) lies at the center of the transfer process, the role of the trainee in affecting the transfer of training has received relatively little research attention. So it is essential to analyze the factors that influence the perception of trainee regarding the training effectiveness. The positive perception can increase the training transfer to the job.

There are more than 30 private banks in Bangladesh and 4 State owned banks which are under control of Central Banks of Bangladesh. The performance of both type of banks are based on liquidity, measure, quality, customer satisfaction, employee performance, loans, credit, deposit and business. Public banks which are Sonali bank, Rupali bank, Janata bank and Agrani bank; their liquidity and assets are more than the private banks of Bangladesh but in performance management and satisfaction of both customer and employee is more in private banks of Bangladesh. According to Avkiron, (1995) profitability of public banks was not good than the private banks of Bangladesh; it was in terms of different reason such as salary, skills, techniques, technologies, human resources, work environment, training of employees, liquidity, assets, customer satisfaction and many more things. Several researches have been conducted concentrating on the training effectiveness in banking industry of Bangladesh and very few addressed the issue of trainee's perception regarding training effectiveness. The present research will concentrate on the comparison of the trainee's perception regarding the training effectiveness. It will also help the management in planning for the development and implementation of effective and efficient training needs that will lead to increased performance of the banks. The objectives of the study are to identify the factors that affect the perception of trainees regarding training effectiveness and to pinpoint the relationship of the factors influencing employee's perception regarding the training effectiveness with the type of bank.

2. Literature Review

Training and development (TAD) is an aspect of human resource practices that help in enhancing employees' skills, knowledge, and competence capable of improving employees' ability to perform more efficiently (Palo, 2003). Organization are expected to identify training need of its employees and design training programs that will help to optimally utilize their workforce towards actualization of organization objective (Kennedy, 2013). Although TAD is one of the more heavily researched topics in work psychology (Chen & Klimoski, 2007; Tharenou et al., 2007) and a number of studies have focused on employees' reactions to TAD (e.g. Arthur et al., 2003), there is a lack of empirical evidence explaining why and how reactions to TAD matter (Schmidt, 2007; Sitzmann et al., 2008). Trainee reactions, or the subjective evaluations learners make about their training experiences (Sitzmann et al., 2008), are the primary means by which organizations evaluate training programs (Sugrue & Rivera, 2005). However, although trainee reactions are frequently assessed in practice, they are still poorly understood (Sitzmann et al., 2008). After studying 66 studies in different countries, Thang and Buyens (2008), remarked that, training increase and improve skills, ability, knowledge, attitude and behavior of employees which brings ultimate non-financial and financial changes in performing organizational work. Ahmad and Bakar (2003)

suggest that employees who recognize the benefits from training will tend to be more committed and so be more willing to participate in an organization's training activities.

Given the significance of formal training programs for organizational effectiveness, it is imperative that organizations design and implement training programs in the most effective manner, and that they understand the factors that contribute to training effectiveness. This is especially important given the finding that only ten percent of training expenditures have been shown to result in behavioral changes back on the job (Georgenson, 1982). In addition, a frequent criticism of training practice and research is its susceptibility to fads and it's generally a theoretical approach (c.f. Campbell, 1971). For example, some practitioners have attempted to increase the effectiveness of training by utilizing sophisticated training techniques without regard for their actual need. Others have focused on arranging the "best" training environment (e.g., Wexley, 1984). Without a theoretical basis for studying these techniques and training environments, however, practitioners and researchers are often at a loss to explain why training programs are effective or to predict their effectiveness in other settings or for other trainees (Baldwin & Ford, 1988; Noe, 1986; Wexley & Baldwin, 1986). Recognizing this situation in the training and development literature, Tannenbaum and Yukl called for a "paradigm shift" to research designed to understand "Why, when, and for whom a particular type of training is effective" (Tannenbaum and Yukl, 1992).

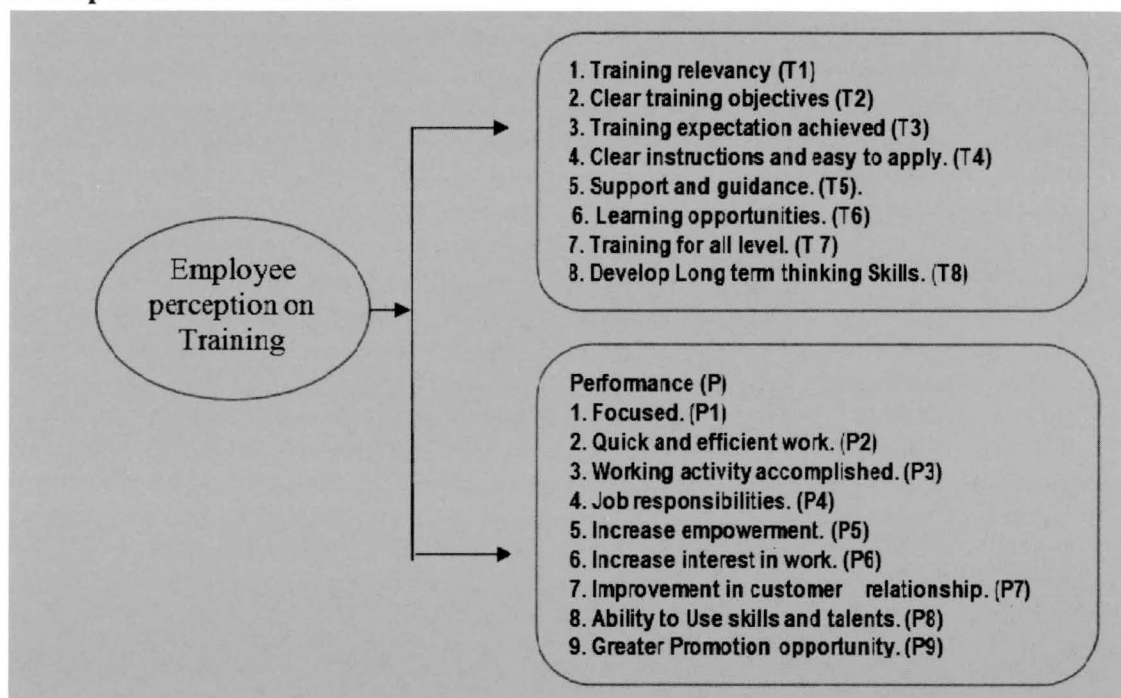
For individuals, potential short-term benefits of successful training and development activities include being able to perform current tasks well, acquiring new knowledge and skills to use on the job immediately, increasing motivation and stimulation, commanding a higher salary, and enjoying other incentives such as greater promotion opportunities (Buckley and Caple, 1990; Sibthorpe, 1994; Cascio, 1994). Training programs help the employee to prepare him for the job. The success of training programs depends on the perception of the employee. If he finds the training program enables him to perform his task effectively then he will try to get maximum knowledge from that program. Whatever knowledge and skills he acquires he will try to use it in his job. So these will help the employee in getting promotions and other short term benefits

There are various factors influencing training focusing at environment, supervisors, lecturers, content of the training and how it is being done; the absence of managerial support could restrain the impact its creativity hindering training effectiveness. (Birdi 2005. Driskel) stated that the kind of training conducted, training content and training expertise equally affect the results of training. Achievement depends on the way training has been conducted by the trainer and its content (Driskell 2011). The researchers indicated that an excessive number of training programs affects the main aim of training, which is skill development, and conduct change (Haywood 1992).

In an international study conducted with an Asian sample, trainees' work experience and job position did not significantly influence their learning and learning transfer to jobs and tasks, but there was a significant difference for the learning transfer for trainees with longer work experience compared to those with shorter work experience (Lim, 2001). Wahidur Rahman (2016), concentrated on the relation with customer satisfaction and performance of banks and also compared service of private and public banks. Another research was done on the comparison of private and public banks performance focusing on the financial status, profitability. (Ahmed Waleed, 2015). The researchers Mehedihasan, MdHefzur Rahman, (2013) concentrated on employee perception towards training program effectiveness of private commercial banks. On the other hand another research was done on the effect of training on employee performance (Dr. Amir Elnaga, 2013). The research done by Bisnu Pada Banik, (2013) concentrated on the financial performance of state owned commercial Bank of

Bangladesh where individually performance, training and financial statement are given but there were no comparison with public and private banks.

3. Conceptual Framework



4. Methodology of the Study

This study was focused on the perception of employees regarding the effectiveness of training programs. The research concentrated on the comparison of employee perception of Government and private banks. As the private banks are more in number than the Government banks in Dhaka city that is why the research concentrated on 2 Government banks (Sonali bank Ltd. and Rupali bank Ltd) and 4 private banks (Mutual trust bank Ltd, Brac bank Ltd, Dutch bangle bank Ltd, Prime bank Ltd) according to their progress. It is evident that the majority of the private banks have branches in Dhaka City. So the study focused on the respondents working in banks of Dhaka city. 150 respondents participated in the research where 50 from Government banks and 100 from private banks. The survey also included employees from different level like entry level, mid-level and top level. The study used self-administered structured questionnaire which was reliable as the Cronbach measure is .863. Descriptive statistics and Chi-square test has been used to see if there are any relationship among the variables that influence the employees perception regarding the training effectiveness with the type of banks.

5. Analysis

Table 1: Demographic Factors – Percentage of respondents

Factor	Sub factor	% of Respondents
Gender	Female	42%
	Male	58%
Age	22-29	20.7%
	30-37	51.3%
	38-45	22.7%
	46-54	5.3%

Designation	Top Level	12.7%
	Mid-Level	77.3%
	Lower Level	10.0%
Education level	Diploma	3.3%
	Bachelors'	8.7%
	Masters	82.7%
	Others	5.3%
Monthly Income	Minimum	37000
	Maximum	150000
	Mean	73486.67
	Working experience	
	Less than 5 years	30%
	5 or more years	70%
Type of Bank	Government Bank	33.3%
	Private Bank	66.7%
Training Recipient	No	8.7%
	Yes	91.3%
Training type	In-House	58.7%
	Outsource	10.7%
	Others	30.7%
Training method	Lecture	19.3%
	Seminar	23.3%
	Group exercise	24.7%
	Others	32.7%
Training Frequency	Once	18.7%
	Twice	34.0%
	Several time	44.0%
	Never	3.3%
Employee Selection Method	On joining the company	14.7%
	Upon employee request	6.7%
	Supervisor's Recommendation	45.3%
	performance appraisal	9.3%
	Compulsory for all employees	24.0%

The above table indicates that in banks maximum employees are male and the majority of the employees belong to the age group of 30-37. A large number of employees works in mid-level management in both Government and private banks and has higher educational background such as masters. The working experience of the respondents shows that only 30% employees have less than 5 years of experience. As the number of private bank is more than the government bank 66.7% respondents were from private banks. Majority of the employees received several training after joining the bank. In banks different training methods are used and a significant number of training is organized in-house (58.7%). Most of the employees were selected for training based supervisor's recommendation. The study shows that the average monthly incomes of government and private banks have no significant difference.

This research compared the perception of employee's regarding training effectiveness of government and private banks. The training effectiveness influenced by perception of employees. Some factors influencing the perception of employees has significant relationship with the type of bank which are indicated in table 2.

Table 2: Crosstab Analysis

Type of Bank	Asymp. Sig. (2-sided)
Relevance of the training program	p= .000
Clarity of training objective	p= .000
Fulfillment of training expectation.	p=.007
Simplicity of instructions and application of training.	p=.000
Learning opportunities	p= .009
Support and guidance from peers and supervisors on application of training	p= .000
Availability of training opportunity for all level employee	p= .000
Training imparts skills on long term thinking.	p= .021
Training make the participant focused	p= .000
Training facilitates accomplishment of task.	p= .033
Training influences accountability	p= .000
Training increase empowerment	p= .000
Training enhanced customer relationships.	p= .001
Training improved ability to use skills and talents	p= .000
Training provides greater promotion opportunities	p= .002

The research indicated that there is a significant relationship with type of bank and relevance of the training program. Private bank's training program is more relevant than that of Government banks. The clarity of training objective is superior for private banks according to the employees' perception and there exist significant relationship. Employees training perception regarding fulfillment of training expectation is higher in Government banks and a strong relationship is indicated by the p value. The simplicity of instructions and application of training is more for private banks than Government bank's training program according to the employees' perception and there exist significant relationship among the variables. According to the study it is evident that there is significant relationship between learning opportunities and the type of bank where private bank's training program provides more learning opportunities. Support and guidance from peers and supervisors on application of training is greater for private banks according to employees' perception and the P-value is significant. In terms of availability of training opportunity for all level of employee of Government Bank has more favorable feedback from employees than private bank and the relationship is also has significant. Private bank's training, imparts skills on long term thinking more than that of Government banks. Government bank's training makes the participant more focused than the private banks which is evident in this research. There is significant relationship with type of banks and facilitation of training for the accomplishment of task where the Government banks performance is better than Private Banks.

The training capability to influence accountability is better for Government bank's training program according to employees' perception and the relationship is also noteworthy. The training program of Private Banks can increase empowerment of employees better than the Government bank training program and the relationship is evident as the P-value is .000. In terms of keeping better customer relationship there exist significant relationships with the type of bank & private banks leads. The ability of the training to improve the use of skills and talents has significant relation with the type of bank. The training provided by the private banks gives greater promotion opportunity than that of Government banks and the significant relation is evident in the research. The research indicated that there is no relationship with type of bank and the ability of training in increasing efficiency and interest in work.

Table 3: Efficacy of training programmes

Type of Bank	Asymp. Sig. (2-sided)
Training increased efficiency	p= .074
Training improved the interest in work	p= .319

6. Conclusion and Managerial Implications

The study becomes necessary because many organizations in this contemporary world are striving to gain competitive edge and there is no way this can be achieved without increasing employees' competencies, capabilities, skills. The effectiveness of the training program is also depends on the perception of the employees regarding certain variables. In private banks, the training program is more relevant gives more opportunities to make good relationship with customer and receives guidance and support form peers and supervisors to implement their learning from the training. The objectives of the training program of private Banks are clearer and it provides more learning opportunities. In Government Banks, after getting training employees are more focused, accountable, gets promotional opportunities and the ability to use talent and skills increases. The training is also available for all levels of employees more in the government banks whereas Government banks should develop policies which will make the peers and supervisors more supportive. It can be facilitated by designing the training program focusing on leadership skills. On the other hand like private banks, Government banks should conduct needs analysis to design the training program which will improve the customer satisfaction. The research will help the management of Government and Private Banks to develop effective and efficient training programs that will satisfy the needs of the employees and will lead to increased performance of the banks. In future more research can be done using factor analysis which will indicate the factors which effect employee perception on training. This study only includes the branches in Dhaka city so the findings of this study might not represent the characteristics of all staffs of the bank of other areas of Bangladesh. So the suture study can focus on the other cities of Bangladesh with bigger sample size.

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