



# IMPACT OF TRAINING AND DEVELOPMENT ON EMPLOYEES PERFORMANCE IN KARNATAKA STATE FINANCIAL CORPORATION WITH SPECIAL REFERENCE TO GULBARGA, BIDAR, RAICHUR, YADGIRI, AND BELLARY DISTRICT BRANCHES

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## ABSTRACT

*This paper examines the relationship of training and development on performance appraisal in KSFC. The performance appraisal process is increasingly seen as a key link between employee behaviour and impact on training and development. Employee training not only serves the purpose of developing their employees, but also safeguards organisational objectives of survival and success through competitive advantage. This research paper highlighted the aspects of training needs assessment, training method, and research methodology: considered 5 branches of KSFC. The researcher contacted employees of each branch of KSFC and interviewed 81 employees by using pre-questionnaire. Sample design chosen was purposive sampling. Used SPSS package for statistical work includes mean and standard deviation. The findings and suggestions are based on results arrived.*

**KEYWORDS:** Training and Development, Performance Appraisal, Employee Training

## I .INTRODUCTION

For any organisation to perpetuate itself, through growth, there is a basic need for developing its human resources. It is one thing to possess knowledge but yet another thing to put it to effective use. It is essential to help develop skills and also update the knowledge. Especially, in a rapidly changing society, employee training and development is not only an activity that is desirable but also an activity that an organisation must commit itself to its resources if it is to maintain a viable and knowledgeable workforce.<sup>1</sup>

Training refers to the teaching/learning activities carried on for the primary purpose of helping members

of an organisation to acquire and apply the knowledge, skills, abilities and attitudes needed by that organisation.<sup>2</sup> Importance of developing employees can well be highlighted from the following Chinese saying: "If you wish to plan for a year sow seeds, if you wish to plan for ten years plant trees, if you wish to plan for a life-time develop employees".<sup>3</sup> Training and Development may be understood as any attempt to improve current or future employee performance it may be increase an employee's ability to perform through learning, usually by changing the employees attitude or increasing his or her skills and knowledge. The need for training and development is



determined by the employee’s performance deficiency, computed as follows:<sup>4</sup>

$$\text{Training and development need} = \text{Standard performance} - \text{Actual performance}$$

Employee training not only serves the purpose of developing their employees, but also safeguards organisational objectives of survival and success through competitive advantage.

## II. DEFINITION OF TRAINING

According to **Edwin.B.Flippo**, "Training is the act of increasing the knowledge and skills of an employee for doing a particular job".

According to **Dale.S.Beach**, "Training is the organised procedure by which people learn knowledge and for skill for a definite purpose".<sup>5</sup>

According to **Campbell**, "Training refers only to instruction in technical and mechanical operations. Training courses are typically designed for a short term, stated set purpose"

According to **Steinmez**, "Training is a short-term process utilising a systematic and organised procedure by which non-managerial personnel learn technical knowledge and skill".

### Definition of Development:-

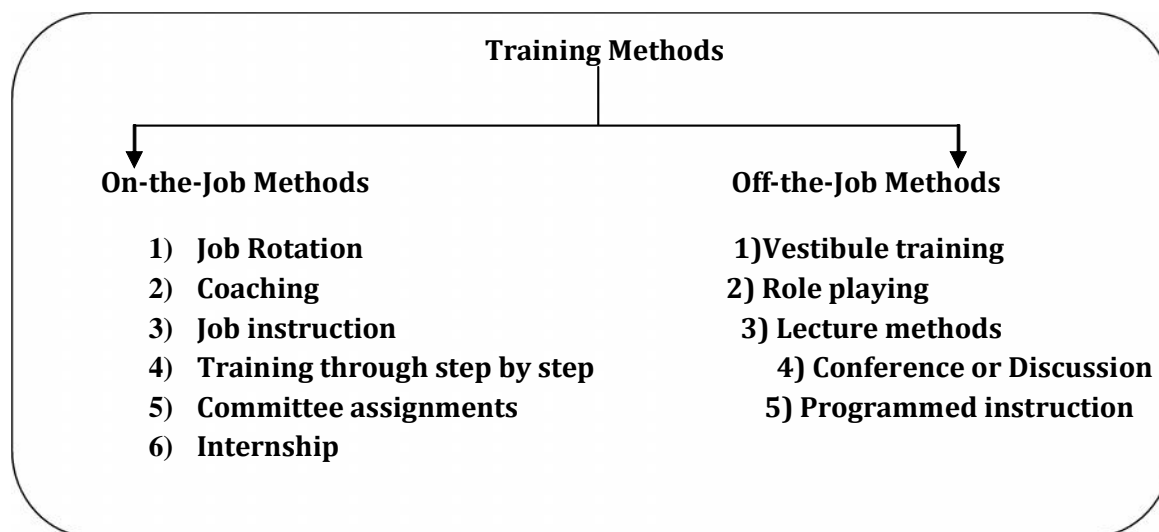
According to **Memoria**, "Development covers not only those activities which improve job performance, but also those which bring about growth of personality, help individuals in the progress towards maturity and actualisation of their potential capacities, so that they become not good employees but better men and women."

According to **Yoder**, "Development is an inclusive process with which both managers and individual employees are involved. It offers opportunities to earn skills, but also provide an environment designed to discovering and cultivating basic attitudes and capabilities and facilitating continuing personal growth."<sup>6</sup>

### Aspects used in Training Needs Assessment:

S/No.	GROUP OR ORGANISATIONAL ANALYSIS	INDIVIDUAL ANALYSIS
1	Organisation goals and objectives	Performance Appraisal
2	Personnel/Skills inventories	Work Sampling
3	Organisation Climate indices	Interview
4	Efficiency indices	Questionnaires
5	Exit interviews	Attitude Survey
6	MBO or Work planning system	Training Progress
7	Quality Circles	Rating Scales
8	Customer Survey/Satisfaction	Observation of behaviour

## III. TRAINING METHODS



Source: P. Subba Rao "Personnel and Human Resources Management", "Employees training", P -157.

#### IV. PROFILE OF KSFC

The Karnataka State Financial Corporation (KSFC) is the state level financial institution established by the state government in March 1959 under section 3(1) of the State Financial Corporation Act, 1951 with the main objectives of promoting and developing industrial growth in the state of Karnataka by providing financial assistance in the form of term loans, equity participation, equipment leasing etc. It was established to meet mainly the long-term financial needs of small and medium scale enterprises (SME's) in the state of Karnataka.

The KSFC is a financial super market. It extends all types of financial assistance in the form of long term loans, short-term loans (in the form of corporate loans), lease finance, hire-purchase finance, merchant banking and financial services etc. The KSFC's assistance covers almost all types of industrial and service sectors. The KSFC has wide ranging scope of assistance and operational flexibility due to recent amendments in the SFC's Act of 1951. Keeping this in view, the KSFC has re-engineered itself to ensure almost customer satisfaction with new energy, trust and speed.

In these 57 years of existence, KSFC has contributed most scientifically for the growth of SSI's, backward area development and promotion of first generation entrepreneur. Their achievement in these areas is unparalleled.

In the recent years, the activities have been mainly confined to term lending, catering to small and medium scale industries. The corporation, Head quartered at Bangalore, with four circle Offices and 30 Branch Offices and it is headed by a Chairman and the Managing Director nominated by the State Government, who is assisted by two Executives Directors and six General Managers.

The corporation which has been using computers since 1983, established an in-house computer centre in 1985 headed by an Assistant General Manager, mainly for development and maintenance of various applications. The corporation has an 'On-line System' i.e WAN connection with 11 modules to facilitate its core activities.<sup>8</sup>

#### V. OBJECTIVES OF THE STUDY

The following are the objectives set for the present research study:

- 1) To study the conceptual framework of training and development in Karnataka State Financial Corporation (KSFC).

- 2) To study the perception of the employees regarding the training and development programs.
- 3) To find the employees performance and behaviour after training and development.

#### VI. METHODOLOGY OF THE STUDY

The study carried out in KSFC by using both primary and secondary data. **Primary Data:** By framing a systematic, Pre-Tested Questionnaire by personal interview.

**Secondary Data:** It consists of Annual Reports of KSFC Journals, Articles, Concerned Books, Magazines, Newspapers, Office Reports, and also from the official website.

#### Sampling design:-

For the research study, 5 branches of KSFC are taken on the basis of purposive sampling. Used SPSS package for statistical work, tools includes mean and standard deviations. The researcher contacted employees of each branch of KSFC and interviewed 81 employees by using pre-structured questionnaire. The pre-structured questionnaire consists of both multiple, open and closed ended questions. It help employees to understand the questions easily. Hence it made possible to collect the information by administering the questionnaire to them and made request to fill up the questionnaire with correct and unbiased data.

#### VII. SCOPE OF THE STUDY

The present study is mainly focused on '**Impact of training and development on employees performance in Karnataka State Financial Corporation with special reference to Gulbarga, Bidar, Raichur, Yadgiri and Bellary District Branches**'. To fulfil the gap the present study is confined to only **5 districts of North Karnataka Region**.

#### VIII. PERIOD OF THE STUDY:

For the present study a period of 5 years data is collected i.e. (2009-2013). The training and developmental activities conducted by head office to their employees are:

**Table.No.1: Year-Wise training given to particular employees as per requirements in office work.**

Sl. No	Years	Manpower Strength	Sent to External Training Programme	In-house Training
1	2009	1209	32 employees	26 employees
2	2010	1163	57 employees	196 employees
3	2011	1134	46 employees	386 employees
4	2012	1109	89 employees	263 employees
5	2013	1080	53 employees	45 employees

Source: Annual Reports of KSFC of above years.

## IX.DATA ANALYSIS AND INTERPRETATION

**Table.No.2: Respondents opinion on personal information are gathered under one table**

Sl.No	Particulars		Frequency	In Percent	Mean (X)	Standard Deviation ( $\sigma$ )
1	Gender	Male	74	91.4	1.0864	0.28273
		Female	7	8.6		
		<b>Total</b>	<b>81</b>	<b>100.0</b>		
2	Age	20 - 30	2	2.5	3.2469	0.64286
		30 - 40	3	3.7		
		40 - 50	49	60.5		
		50 - 60	27	33.3		
		<b>Total</b>	<b>81</b>	<b>100.0</b>		
3	Grade	Group A	61	75.3	1.3580	0.67655
		Group B	11	13.6		
		Group C	9	11.1		
		<b>Total</b>	<b>81</b>	<b>100.0</b>		
4	Education Qualification	SSLC	1	1.2	3.4198	0.58873
		PUC	1	1.2		
		Graduate	42	51.9		
		Post-Graduates	37	45.7		
		<b>Total</b>	<b>81</b>	<b>100.0</b>		
5	Promotions	One	56	69.1	1.3704	0.64118
		Two	22	27.2		
		Three	1	1.2		
		Four and Above	2	2.5		
		<b>Total</b>	<b>81</b>	<b>100.0</b>		

Source: Field Investigation

The above Table.No:2 gives the opinion of the respondents on personal information. Out of 81 employees, 74(91.4%) male respondents and remaining 7 (8.6%) respondents are female. Majority of 49 ( 60.5%) respondents comes under the age group of 40- 50, 29(33.3%) respondents fall under the age group of 50-60, 3(3.7) respondents fall under the group of 30 - 40,and less number 2 (2.5%) respondents fall under the age group of 20-30. The above table reveals that majority of

respondents 61(65.3%) come under group A, respondents 11(13.6%) come under group B, and least number of respondents 9 (11.1%) come under group C. Majority of respondents 41 (50.6%) are graduates , 37 (45.7%) are post-graduates , 2 (2.5%) respondents are SSLC ,and 1(1.2%) respondents are PUC. Majority 59 (69.1%) respondents got one promotion, 22 (27.2 %) respondents got two promotion, 2 (2.5%) respondents got four and above promotions, and 1(1.2%) respondents got three promotions.

**Table.No 3: Respondents opinion on Yes/No are gathered under one table**

Sl. No	Statements	Frequency		Total	Mean (X)	Standard Deviation ( $\sigma$ )
		Yes	No			
1.	Have you been a part of any of the training programs conducted by KSFC in the past.	66 (81.5)	15 (18.5)	81 (100)	1.1852	0.39087
2.	Do you think your performance is improved by attending any of the technical training programmes conducted by KSFC.	70 (86.4)	11 (13.6)	81 (100)	1.1358	0.34471
3.	Do you think an evaluation after the training programme will be useful to assess the learning skills of employees.	73 (90.1)	8 (9.9)	81 (100)	1.0988	0.30021
4.	Did you find anything change in your performance and behaviour after training and development.	74 (91.4)	7 (8.6)	81 (100)	1.0864	0.28273

Source: Field Investigation

The above Table.No:3 gives the opinion of the respondents on yes / no basis ; **1)** A majority 66(81.5%) respondents were part of the training program whereas 15 (18.5%) respondents were not participated in training program. **2)** Majority 70(86.4%) respondents agree that their performance is improved by attending technical programmes and 11(13.6%) respondents say their

performance is not improved. **3)** Majority 73(90.1%) respondents' thinks that the evaluation after training program is useful and 8(9.9%) respondents don't think that the evaluation after training program is useful. Majority 74 (91.4%) respondents' find change in their performance and behaviour and 7 (8.6%) respondents do not find change in their performance and behaviour.

**Table No.4 : Employees training program in respect to satisfaction level**

Particulars	Frequency	Percent	Mean (X)	Standard deviation( $\sigma$ )
Very Good	18	22.2	1.8272	0.49473
Good	59	72.8		
Average	04	4.9		
<b>Total</b>	<b>81</b>	<b>100.0</b>		

Source: Field Investigation

The above Table.No:4 gives the opinion of the respondents on satisfaction level by training program; A majority satisfaction level 59(72.8%) respondent are

answered good, 18(22.2%) respondent answered very good and 4 (4.9 %) respondents answered average.

**Table.No.5: Period of Training**

Particulars	Frequency	Percent	Mean (X)	Standard deviation ( $\sigma$ )
Quarterly	11	4.9	1.2815	0.05270
Half Yearly	1	9.9		
Annually	68	84.0		
Every once in two years	1	1.2		
<b>Total</b>	<b>81</b>	<b>100.0</b>		

Source: Field Investigation

The above Table.No:5 gives the opinion of the respondents on training period ;A majority 68(84.0%) respondents agree that training conducts annually,8(9.9%)

respondents opines that half yearly, 4 (4.9 %) respondents opines quarterly and 1 (1.2%) respondents opines every once in two years

**Table.No.6 : Most suitable technique for training**

Particulars	Frequency	Percent	Mean (X)	Standard deviation( $\sigma$ )
On the job	38	46.9	1.6049	0.62608
Off the job	37	45.7		
Depends on need	6	7.4		
<b>Total</b>	<b>81</b>	<b>100.0</b>		

Source: Field Investigation

The above Table.No:6 gives the opinion of the respondents on suitable technique; A majority 38 (46.9 %) respondents opines on the job, 37 (45.7%) respondents opines off the job, and 6 (7.4%) respondents opines that depends on need.

**Table.No.7: Most suitable method used for training**

Particulars	Frequency	Percent	Mean (X)	Standard deviation( $\sigma$ )
Step by step instructions	35	43.2	1.8025	0.87206
Coaching/Lecture	32	39.5		
Conference/Discussion	9	11.1		
Programmed Instructions	5	6.2		
<b>Total</b>	<b>81</b>	<b>100.0</b>		

Source: Field Investigation

The above Table.No:7 gives the opinion of the respondents on suitable methods used are; A majority 35 (43.2%) respondents opines that step by step instructions are suitable method for training, 32 (39.5%) respondents opines that coaching/lecture, 9(11.1%) respondents opines that conference/discussion and 5(6.2%) respondents opines that programmed instructions suitable method for investigation.

**Table.No.8: Duration of respondents' service in KSFC**

	Frequency	Percent	Mean (X)	Standard deviation ( $\sigma$ )
5 to 10 years	1	1.2	3.6543	0.50400
10 to 15 years	26	32.1		
15 and above years	54	66.7		
<b>Total</b>	<b>81</b>	<b>100.0</b>		

Source: Field Investigation

The above Table.No:8 gives the opinion of the respondents on duration of service; majority 54(66.7%) respondents service falls under 10 to 15 years and 1(1.2%) respondents service falls under 5 to 10 years, respondents service falls under 15 and above years,

**Table.No.9: Respondents Technical information to handle job responsibilities**

Particulars	Frequency	Percent	Mean (X)	Standard deviation( $\sigma$ )
Yes	69	85.2	1.1481	0.35746
No	12	14.8		
<b>Total</b>	<b>81</b>	<b>100.0</b>		

Source: Field Investigation

The above Table.No:9 gives the opinion of the respondents on technical information; A majority 69 (85.2%) respondents agree that they are equipped with technical information to handle their job responsibilities in a proper manner and 12(14.8%) respondents do not agree.

**Table.No.10: Respondents attended training program**

Particulars	Frequency	Percent	Mean (X)	Standard deviation( $\sigma$ )
In-house training conducted by KSFC	54	66.7	1.3457	0.50400
External training conducted by KSFC	26	32.1		
Practical session organised by technical team in the KSFC	1	1.2		
<b>Total</b>	<b>81</b>	<b>100.0</b>		

Source: Field Investigation

The above Table.No:10 gives the opinion of the respondents on training program; A majority 54 (66.7%) of the respondents attended in-house training conducted by KSFC, 26 (32.1%) of the respondents attended external training and 1(1.2%) respondents have attended practical session organised by technical team in the KSFC.

**Table.No.11: Technique of training the employees**

Particulars	Frequency	Percent	Mean (X)	Standard deviation( $\sigma$ )
Using power point presentations in order to give them knowledge about KSFC	34	42.0	1.9630	1.05409
Taking them on field survey to show them how the organisation works	28	34.6		
Using practical ways of training such as involving the employee in company research work	7	8.6		
By using audio/ visual clips	12	14.8		
<b>Total</b>	<b>81</b>	<b>100.0</b>		

Source: Field Investigation

The above Table.No:11 gives the opinion of the respondents on techniques of training; A majority 34 (42.0%) respondents opined that using power point presentations is best way to train the employees, 28 (34.6%) respondents opined that field survey is better, 12 (14.8%) respondents opined that using audio/ visual clips is better and 7 (8.6%) respondents opined that using practical ways of training like employee involvement is better.

**Table.No.12: Respondents require training in area**

Particulars	Frequency	Percent	Mean (X)	Standard deviation( $\sigma$ )
Finance	18	22.2	1.9506	0.68741
Accounts	52	64.2		
Administration	8	9.9		
Human Resources	3	3.7		
<b>Total</b>	<b>81</b>	<b>100.0</b>		

Source: Field Investigation

The above Table.No:12 gives the opinion of the respondents require training in area; A majority 52 (64.2%) respondents opined that Accounts department need more training, 18 (22.2%) respondents opined that Finance department needs requires training, 8 (9.9%) respondents opined that Administration department requires training, 3 (3.7%) respondents opined that human resources department requires training.

**Table.No.13: Respondents ideal duration for the training**

	Frequency	Percent	Mean (X)	Standard deviation( $\sigma$ )
One day	18	22.2	2.3333	0.90830
Two days	24	29.6		
Three days	33	40.7		
More than three days but less than 15 days	6	7.4		
<b>Total</b>	<b>81</b>	<b>100.0</b>		

Source: Field Investigation

The above Table.No:13 gives the opinion of the respondents on ideal duration;Majority 33(40.7%) respondents opined that three days is the ideal duration for the training requires for employees,24(29.6%)

respondents opined that two days is the ideal duration for the training requires for employees,18 (22.2%) respondents opined that one day is ideal duration for the training requires for employees.

**Table.No.14: Training resources required to make this training program successful**

	Frequency	Percent	Mean (X)	Standard deviation( $\sigma$ )
Good trainer	36	44.4	2.3704	1.35503
Good training material	7	8.6		
Practical training	10	12.3		
All of the above	28	34.6		
<b>Total</b>	<b>81</b>	<b>100.0</b>		

Source: Field Investigation

The above Table.No:14 gives the opinion of the respondents on the training resources required to make the training program successful; A majority 36(44.4%) respondents opined that good trainer makes training program more successful,28 (34.6%) respondents opined

that all the above makes training program more successful, 10(12.3%) respondents opined that practical training requires to make training program more effective and 7(8.6%) respondents opined that good training material makes training program more effective.

**Table.No.15: Benefits from training program to the employees**

Particulars	Frequency	Percent	Mean (X)	Standard deviation( $\sigma$ )
Improves the employees efficiency	29	35.8	2.3827	1.09050
Improves output and productivity	1	1.2		
Increases the employee motivation	42	51.9		
Overall growth and development	9	11.1		
<b>Total</b>	<b>81</b>	<b>100.0</b>		

Source: Field Investigation

The above Table.No:15 gives the opinion of the respondents benefited by training program; A majority 42(51.9%) respondents opined that increase in the employee motivation , 27(33.3%) respondents opined that it improves the employees efficiency,9(11.1%) respondents opined that it is helpful for overall growth and development and 3(3.7%) respondents opined that training programs improves the output and productivity.

- 4) Training program helped employees for increase in employee motivation, growth and development, and improved productivity.

#### Suggestion:-

- 5) There is a need for a decrease in long duration training program such as a week or 15 days because it leads to boredom among the employees. So effective training can only be provided in less days such as 2 to 3 days maximum.
- 6) Organisations must help female employees to have training equally as male.
- 7) Training and development should be made mandatory to all departments of all levels of employees. So that they all can progress academically and improve performance in the work without any errors.

#### Conclusion:-

Performance appraisal serves as one of the tools for communicating the top management plans through training and development .It examines the requirements of employees and their performance in the organisation.

## FINDINGS ,SUGGESTIONS AND CONCLUSION

### Finding:-

- 1) Employees expressed that frequent conducting of training will reduce error in work and as well as, there will be a confidence in dealing with problems which occurs during on the job.
- 2) They also believe calling experts for training program from outside places may help to know new technique and methods of doing their jobs.
- 3) The employees are of the opinion that they should be sent to other states to see the work performance after training and development.



From top level management to lower level management training and development is must and their performance can be evaluated by performance appraisal methods. There is no doubt that training and development has a great impact on the work performance of the employees in KSFC. As training and development programs increases the knowledge, skills and motivate the employees to their best.

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