

IMPACT OF TRAINING AND DEVELOPMENT PROGRAMS ON MOTIVATION OF EMPLOYEES IN BANKING SECTOR

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Abstract

This research is aimed to study the impact of training and development programs on motivation of employees in banking sector. There are various factors like training and development where each factor contributes to overall employee motivation. This study concludes that training and development programs contribute greatly to employee's motivation. In line with the aim, Data collected through the questionnaires from Turkey Is Bank that has bank branches the most in Kayseri in Turkey. The questionnaire was applied by the e-mail survey on internet. As the primary data indicates, there is positive relationship between the training and development programs and employee's motivation. The results show that training and development programs have positive impact on motivation of employees in banking sector. Results of the study conclude that banks having good training and development programs for employees can enhance the motivation of employees. However, results are strongly based on the literature review.

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

INTRODUCTION

In the past with the traditional view, training and development was not accepted as an activity or process that could help companies create successfully deal with competitive challenges (Noe, 2010). Today unlike the traditional approach, that business' view has changed. Training and development programs have a basic role in every organization. Training also has impact on the return on investment. Business that have innovative training and development experience are likely to report better performance of business functions such as marketing, financial etc. than businesses that they compete again. Training and development evaluations are performed to

save on financial sources, to help organizations decide what to do with their training programs. Nowadays, business also uses training and development to meet competitive challenges.

Training and development is seen as a key factor in making it possible for the organisation to achieve its strategic, business and operational goals (Carrell et al., 2000:308). Although training and development are seen as the same in the literature, it's totally different. Training is aimed at the lower levels of staff and at staff who perform more technical work, such as terrain managers and terrain staff; whereas development is aimed at administrative and professional staff (Lunenburg and Ornstein, 1991:478).

Usually when employees are trained their performance and motivation levels will be increased, training and development programs are needed to increase the performance and motivation of employees. So it will also result in the maximized performance which will help to achieve the institutional goals effectively. If employees are given training and development programs they feel some betterment in their own motivation and performance, so work more hard to achieve personal and institutional goals. Training and development programs have helped them grow the business and improve customer service by providing employees with the knowledge and skills they need.

This research will be helpful to understand the importance of training and development programs and the effect of training and development programs on motivation which is positive. A business that makes an effort to motivate its employees will remain competitive and more productive in the long run. Results of research will suggest that organization must give importance to training and development of employees and training and development programs must be for sufficient duration.

Training

Training is systematic development of the knowledge, skills and attitudes required by an individual to perform adequately a given task or job (Armstrong, 2001). The term "training" indicates the process involved in improving the aptitudes, skills and abilities of the employees to perform specific jobs (Aswathappa, 2000). Training helps in updating old talents and developing new ones. Successful candidates placed on the jobs need training to perform their duties effectively. The principal objective of training is to make sure the availability of a skilled and willing workforce to the organization (Kulkarni, 2013:138). In addition to that, there are four other objectives: Individual, Organizational, Functional, and Social. Training objectives tell the trainee that what is expected out of him at the end of the training program (Karthik, 2012). Training objectives are of great significance from a number of stakeholder perspectives; trainer, trainee, designer, evaluator.

Development

Employee Development Programs are designed to meet specific objectives, which contribute to both employee and organizational effectiveness. There are several steps in the process of management development (Kulkarni, 2013:139). These includes reviewing organizational objectives, evaluating the organization's current management resources, determining individual needs, designing and implementing development programs and evaluating the effectiveness of these programs and measuring the impact of training on participants quality of work life. In simple way, it can be denoted as per the following formula (Kulkarni, 2013):

Employee Development = Employee Education + Employee Skills + Training Effectiveness + Employee Quality of work life.

Motivation

The motivation has important a role in influencing the employees to accomplish individual as well as the organizational goals. Motivation represents those psychological processes that cause the arousal, direction, and persistence of voluntary actions that are goal-directed (Kreitner and Kinicki, 2004:258). It involves a host of psychological processes that culminate in an individual's desire and intentions to behave in a particular way. Generally motivation is defined as a series of energizing forces that originate both within and beyond an individual's self at work (Herselman, 2001:2). Such forces determine the nature, intensity and duration of a person's work behaviour and therefore influence their productivity. The motivation increases performance.

LITERATURE REVIEW

In literature, training and development with appropriate educational methodology can be demarcated as the procedure to workforce environments in which improved performance can be resorted to effective learning thus increase brand value (Al-Kassem, 2014:132). It is basically to bring about a desirable process or change to the organization.

Oribabor (2000) submitted that training and development aim at developing competences such as technical, human, conceptual and managerial for the furtherance of individual and organization growth. Campbell and Kuncel (2001) and Wright and Boswell (2002), suggested that application of training has positive effects on both individual performance of employees and organizational performance. Bates and Davis (2010) have examined that usefulness of the training program is possible only when the trainee is able to practice the theoretical aspects learned in training programs in an 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. In a research on the employees of the banks and institute employees Khan (2012) and Khan et al. (2011) have examined that the training of employees has the positive effect on the performances of the employees. Naong (214) investigated the effect of training and development on motivation for employees has low education level. In his research on employees in five companies in South Africa he concluded that employees participating in training and development programs are motivated more than the employees participating in the program less.

There are various researchers who shared their views regarding the role of training and development in different aspects. These are summarized in Table 1:

Table 1: The Role of Training and Development in Diverse Aspects

Author	Opinions Regarding Training and Development
Oatey (1970)	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.
Kane (1986)	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. He describes the strategic approaches that the organization can take to training and development, and suggests that the choice of approach should be based on an analysis of the organization's needs, management and staff attitudes and beliefs, and the level of resources that can be committed. This more strategic view-point should be of use in assessing current efforts as well as when planning for the future.
Adeniyi (1995)	Staff training and development is a work activity that can make a very significant contribution to the overall effectiveness and profitability of an organization.
Oribabor (2000)	Training and development aim at developing competencies such as technical, human, conceptual and managerial for the furtherance of individual and organization growth
Stavrou et al., (2004)	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.
Chih , Li and Lee (2008)	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.
Bates and Davis (2010)	Usefulness of training programme is possible only when the trainee is able to practise 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)	Training cost and business benefits are 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 R (2012)	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.

Source: Kulkarni, P. (2013)

Development of Hypotheses

In the light of the literature, we argue that training and development increase the motivation of employee and propose the hypotheses following:

H1: There is a relationship between training and development and motivation of employee.

H2: Training and development affect the motivation of employees

METHODOLOGY

The Study

This study aims to identify the impact of training and development on motivation of employee. The prime focus of this study is to carry out to identify the effect of training and development on motivation of employee. To measure the relationship and identify the impact of training and development on employee's motivation, some statistical tools or techniques are applied on data like Pearson correlation and regression analysis.

Sampling and Data Collection

Respondents for the questionnaire were determined from a bank that is use to training programs for their employees. The chosen bank was Turkey Is Bank that has bank branches the most in Kayseri in Turkey. The population of the current study consists of 320 employees working at the different levels in the 21 bank branches which are located in Kayseri in 25 May-25 Jun 2015. A survey was conducted to collect the data. Only 243 employees working at the different levels in bank branches returned the usable questionnaires. The return rate is approximately 76% (243/320).

The principal data collection instrument is questionnaire, including various types of questions to determine the impact of training and development on motivation of employees. First the literature was reviewed and an electronic questionnaire was conducted with those working at some different levels positions of 10 bank branches in Kayseri. Subsequently, a pilot study was also conducted with census representing the targeted population.

Measures

The procedure used for data analysis is significant. The instrument used for data collection is questionnaire which is the primary source of data collection. The questionnaire has 24 propositions which are related to evaluate the training and development program and has 20 propositions which are related to determine the motivation levels on a five-point Likert type ordinal scale (1=strongly disagree and 5=strongly agree).

Literature was searched firstly to improve the scales. The scale which are related to evaluate the training and development program have consisted on four levels (Level 1- reaction, Level 2-learning, Level 3-behaviour, Level 4-results). The scale is based on a model developed by Donald Kirkpatrick in 1959 (Kirkpatrick, 1976; Kirkpatrick, 2013: 6) and later used by Naong (2009). This model later, many cited by scientific studies and have been a model preferred in related studies (Eroğlu, 2006: 113). Lopes (2006), Kırççı (2007), Şen (1010) and Göllü and Aydın (2014) have used the scale to determine the level of motivation. The propositions which are related to determine the motivation levels were created through by the scale development process for reliable and valid measurement (Gerbing and Anderson, 1988: 186-192; Hinkin, 1995: 967-988; Hinkin et al., 1997: 100-120; DeVellis, 2014: 73-114). Cronbach's alpha reliability coefficient was calculated as 0.98 and reliable scale was found for the scale.

The questionnaire was applied by the e-mail survey on internet. The questionnaires prepared as electronic format have sent to e-mail address of employees.

Analytical Approach

Once the data was collected, the following analyses have been conducted: (a) In the first instant reliability statistics analysis measured to find out the data is reliable or not, (b) Correlation is the statistical technique which is applied on data to gauge the relationship between the "training and development" and "motivation", (c) Regression is the statistical technique applied on data to measure the impact of "training and development" on "motivation" in the organization.

ANALYSES AND RESULTS

In the research characteristics of the participants would be summarized as follows. There are 243 employees who participated in the survey. While two-thirds of employees participated, one-thirds of employees participated is female in the survey is male. It is observed that consists of single three-quarters of the participants. Almost all of the participants are university graduates. The proportion of employees participating in training and development programs in the last year is 96 %.

Pearson Correlation Analysis

H₁: There is a relationship between training and development programs and motivation of employee.

Table 2: The Correlation between the Training and Development Programs and Motivation

		Training and Development Programs	Motivation
Training and Development Programs	Pearson Correlation	1	,858
	Sig. (2-tailed)		,000
	N	243	243
Motivation	Pearson Correlation	,858	1
	Sig. (2-tailed)	,000	
	N	243	243

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

Table 2 shows the correlation between the training and development programs and motivation. According to the calculated values, training and development programs has positive correlated with motivation, as 0,858. It is concluded that if employees are adequately provided training and development, their motivation is increased as proven by primer data. Training and development (if provided effectively) has a positive effect on motivation. Based on Pearson Correlation, the values of relation between training and development programs and motivation in this study are more than 0,70 indicating that correlations between each of variables are high. The relationship is found positive and training and development programs increases more the motivation of employees. There is direct relationship between employee's training and development and motivation. The hypothesis H₁ is accepted.

Regression Statistics Analysis

H₂: Training and development programs affect the motivation of employees

Table 3: The Affect of Training and Development Programs on Motivation of Employees

Independent Variable:	Dependent Variable: Motivation of Employees					
	R	R ²	F	β	t	Sig.
Training and Development Programs	,858	,736	671,905	,564	4,190	,000
P<= 0,05						

Table 3 provides a summary output about regression statistics. According to Table 3, R has a value of 0,858 and R square has 0,736 accordingly. The value of F is 671,905. The value of R

indicates that there is positive strong relationship among the training and development programs on motivation of employees. The value of R square says that 73.6 % of total variation in motivation of employees is explained by training and development programs. Model explains 73.6% variation is explained by the given variables and the rest of variance is explained by the other factors or variables which are not included in this model. In other words we say that the remaining variance is unexplained. The hypothesis H_2 is accepted.

Table 4: Coefficients^a

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,562	,133		4,234	,000
	Training and Development Programs	,847	,033	,858	25,921	,000

a. Dependent Variable: Motivation

Table 4 shows the beta values for variables and constant in the model. The value of beta is 0,562 for training and development programs which is independent variables. The value of beta basically says the expected change or increase in dependent variable for change or increase of 1 unit increase in independent variable. It means that the variable training and development programs contributes towards the motivation of employees positively (negative beta value is not found). The affect of training and development programs is positive on motivation of employees in the organizations.

The research model is formulated as $Y = a + \rho_1 X_1$ and it is developed as $Y = 0,562 + 0,847X_1$ Where, Y denotes motivation of employees, X_1 denotes training and development programs, a denotes the constant value in the model.

CONCLUSION

This research is conducted to identify the affect of training and development programs on the motivation of employees in banking sector. The study found that training and development programs influencing motivation of employees in the organizations. The relationship of independent variables with dependent variables is also examined. There is positive relationship between the training and development programs and employee's motivation. An increase in independent variable will cause increase in motivation. The results show that training and development programs have positive impact on motivation of employees in banking sector. The research concludes that if the organization having good training and development programs for employees can enhance the motivation of employees that is helpful in increase in motivation of

employee as well as of organization. All the organization that wants to enhance their employee motivation should focus on training and development, motivation of employees to achieve higher performance levels in organization. Results of the study conclude that banks having good training and development programs for employees can enhance the motivation of employees. However, results are strongly based on the literature review. Comparison of the results of the research done in different samples will be useful. Results are valid within the specified research limits, so it is impossible to generalize the consequences.

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