

## Dynamics of Training in Financial Establishments

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Businesses surviving in a technologically evolving era face immense challenges in terms of the growing need to train and prepare their workforce to contend with competitors and rival establishments. Roles and function to be performed by employees have changed considerably due to the dynamically changing work environment, imbued with innovations and hi-tech innovations. Traditional business models, devoid of technological edge will soon be obsolete. Organizations that fail to redesign their training practices often struggle with organizational growth and productivity issues, for which leading companies are abandoning traditional methods of training in favor of more effective practice often involving technology innovation that engage talent and improve performances.

Training plays a vital role in employee development, growth of a business, increasing sales and profitability of financial establishments. When given a strategic role it can assert influence on the output and performance of employees at different levels. In view of the present business environment with exponential growth in technology, its impact on the economy and society at large, the need for training and development is even more distinct than ever.

Transforming employee behavior and job performance, with a need to increase efficiency can often be said to be the most important reasons for training and coaching employees at all levels. Training is essential not only to increase productivity but also to motivate and inspire workers by signifying the importance of their jobs and providing all the information they need to perform those jobs effectively. General benefits derived from employee training could be increased job satisfaction and morale, increased efficiencies in processes, resulting in financial gain, increased capacity to adopt new technologies and reduced employee turnover. Training that is appropriate to the needs of an organization can add great value to the organization and its image. The significance and value of training has long been recognized and therefore majority of the organizations invest a percentage of their profits in staff training and development. Most of the financial establishments invest towards training and development of their national workforce in order to improve their job performance and to further job opportunities.

Buckley and Caple (1995) describe training as:

*A planned and systematic effort to modify or develop knowledge /skill/attitude through learning experience, to achieve effective performance in an activity or range of activities. Its purpose, in work situation, is to enable an individual to acquire abilities in order that he or she can perform adequately a given task or job.*

Without the right training, employees can be the organization's biggest liability. Trained effectively, however, they can become the organizations biggest asset (Bartram and Gibson, 2000). Rosner (1999) adds another ingredient for success – support after training. He states, "The most effective programs train workers in new behaviors and then train managers to support employees as they apply learning daily (Rosner, 1999, p.43). Support and endorsement from management can greatly enhance training results.

There are a number of financial organizations that link training to their business strategies. Training functions are being judged with how well training objectives meet the strategic objectives of the organization. As every organization has different ways of linking training to business strategies in some countries it may not constitute an essential element of the business strategy.

Coopers and Lybrand (1985) suggest:

*...few employers think training sufficiently central to their businesses for it to be a main component in their corporate strategy the great majority did not see it as an issue of importance..Training was rarely seen as investment but as an overhead which would be cut when profits are under pressure forced on the company as a reaction to other developments.*

Most businesses have a clearly defined strategy and set of objectives that direct and drive all the choices made for training decisions and organizational development. Organizations that plan their training process are more successful than those who have weak or unstructured policies. Most business owners aim to succeed and optimize profits, but do not engage in training policies that promise to further improve their chances of success.

A well-conceived training program can help business flourish. A strategy structured with the company's strategy, mission and objectives in mind has a high probability of improving productivity and goals that are set in the training mission. Traditional models of training are unable to bridge the gap between employer expectations and employee output to improve levels of engagement and performance of employees. By aligning training strategies with organizational objectives and leveraging innovative technology to the maximum extent, organizations will be able to significantly improve their employee performance.

The purpose of formulating a training strategy is to answer two relatively simple but vitally important questions, like what is our business? And what should our business be? Armed with the answers to these questions and a clear vision of its mission, strategy and objectives, an organization can identify its training needs. The answer to both these questions could be derived from short and long term company goals.

Additionally training will also provide an employee a major competitive advantage. If an organization has a proficient, committed, well-led workforce, it can perform better than the competitor in terms of good customer service and good product delivery compared to an organization that has employees who don't know what they are doing or are reluctant to take up training.

Suitable staff development should not be something to be undertaken occasionally, it should be a vital and regular aspect of work, personal and professional identity of an employee. Diverse training strategies should be implemented in different financial organizations to enrich professional development of their staff.

Educational or training strategies that have an interactive or experiential component may be the most beneficial to financial organizations learning new or advanced direct service skills. These can be formal or informal relationships with skilled mentors who offer expert guidance and encouragement pertaining to the knowledge and skills that they need to maximize their potential. The objective is to offer guided work experiences, role modeling, and expert coaching so the introduction of essential knowledge and skills are mastered to desired levels of proficiency. An alternative way to accomplish this is to encourage job shadowing for new employees with experienced employment consultants within the same organization.

Pre-service training or orientation programs are commonly used by organizations to support the learning needs of new employees as well as introduce them to their organization. The first step, is usually to involve each person in his / her plan, as adults learn best when they can identify their own goals and objectives. Work orientation or induction programs can be offered to the employees either within the same organization or outsourced to Institutes or training providers. Bank employees can be given thorough meticulous knowledge of their banks products and services before they enter their main stream job positions in order that they gain expertise in their field of work. This is very beneficial to young and inexperienced graduates who have no previous work experience. Organizations should device strategies and incorporate them in their business plan as an integral part of their HRD strategy in order to maximize output of employees from initial stages of work placement.

As business environment is constantly changing due to continuous developments in technology, the knowledge and skills required for employee and management development will also change from time to time. To compete with others, organization require to incorporate training strategies with their business development plans in order to achieve their desired goals. Training design and delivery can be made more effective through ensuring that the training program objectives are clearly focused on the organization's priorities and goals. Besides this, participants' learning outcomes must be stated in terms of productivity required in the workplace and measurable performance standards.

Though training and development is one of the most important part of talent management, it is also one of the most dynamic area in terms of changing trends in training practices. With recent technological advancements and the precipitous adoption of social collaboration, training and development has changed significantly. Taking a decision to improve employee learning and investing in learning management practices is often an intimidating challenge for organizations. Training can no longer be an afterthought in organizations. It must become an integral function of staffing and business strategy. When it is not properly planned for, any endeavor to satisfy a training need will usually result in failure. Therefore, it is vital to create a written, well-thought out plan for training and development in order to increase profits and improve and develop employee performance at all levels.

## **References**

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