

## **Bank Employees' Expectations of Training Programmes in Oman – An Exploratory Study**

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### **ABSTRACT**

Training process moulds the thinking of employees and leads to quality performance of employees. No organization can get a candidate who exactly matches with the Job and the organizational requirements. The organization has to provide them necessary training and opportunities for growth and development. The Training department's ambitions are to develop highly-skilled employees to achieve impact across the whole economy to maintain national capability. Training programs provide multiple benefits for employees and the company, but only if they are carefully planned and properly implemented. The employees normally come to the training with lot of expectations to impart knowledge on technical operations systems on various specialized financial services/areas but sometimes the trainers offering only limited training modules. Hence, through this research, researchers' would like to analyse the bank employees' expectations of training programmes in Oman. Bank Muscat is the leading financial services provider in the Sultanate of Oman. The bank's achievements in the development of human resources have been consistently recognised locally and internationally. To validate the research the data were collected from 75 (N=75) Bank Muscat employees working from various branches. The respondents for this research were confined to Oman nationals working in the Bank Muscat. Based on the previous research studies 16 constructs were selected for this study and hypotheses are framed. The research through Structural Equation Modeling (SEM) using AMOS software infers that all the sixteen variables are highly significant and has positive relation with employees' expectations.

**KEY WORDS :** Training, Expectations, Nationals, SEM

### **1. Introduction:**

Global competition, increasing consumer demand for better quality products or services, technological advances and the changes in the business environment have created the need for organizations to continuously provide their employees with certain skills, knowledge and abilities in order to maintain market competitiveness and business survival. Training is process of enhancing knowledge, skills and ability of employee for doing a particular job. Training process moulds the thinking of employees and leads to quality performance of employees. No organization can get a candidate who exactly matches with the Job and the organizational requirements. The organization has to provide them necessary training and opportunities for growth and development. Thus, the need for training and development in the organization arises / unfolding the skills hidden in the employees and provide them with new set of skills required for discharging their functions more efficiently. Training programs provide multiple benefits for employees and the company, but only if they are carefully planned and properly implemented. Clear understanding of policies, job functions, goals and company philosophy lead to increased motivation, morale and productivity for employees, and higher profits for your business. Training is a means to a specific end, so keeping goals in mind during the development and

implementation stages of the training program will assist in creating a clearly defined and effective program.

Bank Muscat is the leading financial services provider in the Sultanate of Oman. The Bank has the largest network of 142 branches, 431 ATMs, 1667 CDMs and more than 9,273 PoS terminals. The international operations consist of a branch each in Riyadh (Kingdom of Saudi Arabia), Kuwait and a Representative Office each in Dubai (UAE) and Singapore. Bank Muscat holds the rare distinction of being voted the 'Best Bank in Oman' for seven years by The Banker, FT London; nine years in a row by Global Finance and Euro money. It is proud to have led the way in contributing to sustainable development in Oman with various initiatives. The bank, through its Human Resources Management department, has given the master craftsman's touch by taking meticulous care that goes into moulding the finest Omani talents. The bank's achievements in the development of human resources have been consistently recognised locally and internationally. This bank was honoured for national manpower initiatives and won 'Best Place to Work' Award in the Middle East, continues to fulfill the national vision of employing Omanis in the private sector. One of this Bank Mission is to equip Bank's Human Resource with the competencies that enable them to achieve the Bank's business objectives by continuously improving customer service and productivity.

## **2. Statement of the Problem**

The banking sector in Oman has achieved more than 92 per cent Omanisation and is poised to further increase the percentage of the national workforce equipped with professional qualifications. Bank Muscat has a high level of commitment towards its people. The bank accords top priority for human resources development and has adopted innovative strategies to equip Omani employees. The bank has developed a comprehensive learning & development strategy for skill and knowledge enhancement vis-à-vis the requirement of various departments. The multi-skill development programmes have benefited a large number of staff. Bank Muscat is offering training programmes, co-operation with international training institutes as a result of which it has succeeded in providing first-grade training for employees, which has in turn reflected positively on their performance and developed their skills and capabilities, which essentially forms the basic objective of training and development. Training particularly provided on technology enabled service offer gives ambiguity for the employees and their level of understanding & observing capacity varies from Person to Person. The Training department's ambitions are to develop highly-skilled employees to achieve impact across the whole economy to maintain national capability. The employees normally come to the training with lot of expectations to impart knowledge on technical operations systems on various specialized financial services/areas but sometimes the trainers offering only limited training modules, which never matches on par with the talents possessed by employees working in all Foreign Banks. Hence, through this research, researchers' would like to analyse the bank employees' expectations of training programmes in Bank Muscat, Oman.

## **3. Review of Literature:**

Hamblin (1974) initiated that it is an activity, which deliberately attempts to improve a person's skill on a job by enabling him/her to develop personally. Training is an activity that changes employee's behavior. Training is given to employees not only to improve the productivity but also to motivate them to enhance their skills, inspire them to do their jobs efficiently and effectively. Training and development initiatives for employees can transform Bank/organizations by providing extra skills and knowledge to the employees not only to increase safety and productivity, but also to lead to higher job satisfaction, which shows up in the form of better corporate performance. Reilly (1987) Public service management in the third world countries has shown minimal improvement despite training inputs, as the political and bureaucratic elite do not want it. Analoui (1994) studied the changing perception of the nature of the managerial jobs have deep implications for management trainers and developers. Some manager's role have evolved from task managers to people and role player. Trainers can no longer rely on the provisions of the task related management training rather than they are expected to

become familiar with people, self and career development skills and expertise. Dipboye(1997) The study explores on why organization often fail to adopt and fully implement an effective training practices prescribed by psychological literature. It also examines the organizational factors that hinder the implementation of a rational and scientific approach to managing training processes and argue that these factors include pressures to achieve the personal needs of users, a good human resource, who are fit for the organization, social justice, power, and the approval of important factors .He believed that there are legitimate functions that should be considered in the design, implementation and evaluation of training. A broader conception of the training is expanded beyond providing a good fit to the knowledge, skills and abilities of the job to include these functions. Natalie et al (1997) explains that, the development of high quality managerial manpower in the country is considered essential for coping with rapidly changing Industrial scenario which in turn led to expansion of number of training activities and institutions. Denis et al (2002) , the Author explains an in-depth role of business excellence model and gives a brief description about its impact on quality of Training and development comparing it with the strategy and operations, which are followed within an organization . Raju (2003), the analysis presents an approach to identify the gap between the existing performance level in the employees and the desired level of performance to achieve the organizational goals. Rao(2003) stated that , A buzzword that has found its way into the lexicon of management is "learning organization". Notwithstanding their size, organizations big or small have been learning to survive for a long time. K.Mallikarjunan(2005), the author specifies that to achieve best results in present scenario of technology it is important to develop certain skills. He also emphasis that the training opportunities provided to disabled persons require special attention and well -thought -out plans. Cole (2007) examined the importance of duration of training program and indicated how behavioral skill development is important for the development of employee. The author suggested that training should result in behavioral change of the employees which, in turn, may improve the organizational outcome. Yabome Gilpin-Jackson (2007) explains the contribution of training in enhancing soft skills as well as developing Leadership Quality among individuals. Chris Obisi (2011) pointed that the ultimate aim of any training program is to add value and once a training program cannot add value, it should be reworked or altogether cancelled. Abdul Qayyum et al(2012), The author surveyed the training and development practices in National Bank of Pakistan (NBP). Training was provided to various levels of managers/Officers in the banks .There was lacuna in this training as lot of importance was not given to the skills and ability of an employee's, everyone was given the same type of training, efficient training is to boost the employee performance. Bank does not have adequate plan for the top-level management. The objective of training was not par with the banks objectives or strategic plan. Rohit Markan (2012) suggests that Training Need Assessment requires a systematic approach so as to identify what professional banks are required to learn so as to achieve goals. The previous discussion of the literature identified significant gaps that will be explored in this thesis. It is obvious to note that many of the researchers have conducted the research in various dimensions of training and development in different manufacturing company's but none of the study was conducted in Banking sector particularly in Bank Muscat, Oman by highlighting the bank employees expectations of training module. This was identified as research gap in order to fulfill this research gap the researchers has chosen this particular topic for their research study.

#### **4. Research Design:**

The study used the exploratory and causal research design as it explores and intends to analyse the bank employees' expectations of training programmes in Oman. As the flagship financial institution in Oman, Bank Muscat has a proven track record of excellence in service and enjoys around 37 percent market share in Oman. The bank was cited as a best employer brand with a distinct identity visible through HR practices, policies and strategy. The award acknowledged exemplary excellence in learning and development initiatives; distinctiveness in employee hiring; training and retention practices and continuous innovation. At the time of the study the Bank Muscat has 142 branches with 3,266 employees. The data were collected from 75 (N=75) Bank Muscat employees working from various branches. The respondents for this research were confined to Oman nationals working in the

Bank Muscat. The purposive snowball sampling technique has been used to collect primary data from the target respondents. Structured questionnaire has been used to collect the response from the target respondents. It contains 16 statements. All items were assessed on Likert's five point scale (Strongly Agree.... Strongly Disagree). The questionnaire was tested with Cronbach's Alpha reliability test. Cronbach's Alpha Reliability Analysis has been conducted to test the validity of collection instrument which produced 0.726 which proved highly reliable.

**5. Framework of the questionnaire**

The questionnaire consists of 16 constructs, which are based on the previous research studies. Table 1 presents the sixteen constructs used in the study.

No.	Statements
1	The training programme content should be relevant to my job
2	The trainer/ facilitator should be well prepared and should mastery over the subject.
3	The trainers should be an effective communicator
4	The teaching aids should be appropriate
5	The timing and the duration of training Programme should be appropriate.
6	The Training Program will cover the objectives which is needed to learn
7	The knowledge gained in the program will help me to perform my job better and it will prove to be of great importance for learning new skills
8	The quality of activities during the training/event should be excellent and my new skills should be well rehearsed and test checked by the trainer to ensure my proficiency
9	The Training program brings a change in my attitude and behaviour
10	The Program will improve my specialisation skills
11	The program will improve my team participation at work.
12	Training program will improve my quality of performance.
13	The program will benefit me in terms of decision making and improved interpersonal communication
14	The amount spend on training programme should yield a good return on investment.
15	The Training program will help me in achieving the set targets at my Job
16	The overall training program will be effective for me as well as the bank.

**Table 1: Development of constructs chosen for the Study**

**6. Structured Equation Model (SEM) Using Path Modeling**

A structured equation model (SEM) is most appropriate for this study due to the interdependent nature of the research variables. The SEM was chosen to test the structural model for several reasons. The present research model comprises many paths. Unlike regression that examines only a single relationship at a time, SEM provides estimation for a series of separate regression equations simultaneously. SEM is particularly useful when dependent variables become independent variables in subsequent dependent relationships. SEM technique is superior as it allows for the specification and testing of complex path models and is considered more rigorous and flexible than other comparable techniques. SEM is a statistical technique for testing and estimating causal relations using a combination of statistical data and qualitative causal assumptions. SEM allows both confirmatory and exploratory modeling, meaning they are suited to theory testing and development. Confirmatory modeling usually starts out with a hypothesis represented in a causal model. The concepts used in the model are operationalised to allow testing of the relationships between the concepts in the model. The causal assumptions embedded in the model often have falsifiable implications that are tested against the data. SEM allows the simultaneous examination of the effects of the antecedents as opposed to ordinary regression analysis.

Path modeling is a robust SEM technique, which is a flexible and powerful means to predict and assess relationship between latent variable of bank employees' expectations on training programmes in

Oman. SEM is applied to evaluate the strength of the hypothesised relationships among the constructs in the theoretical model developed by this study. SEM is a family of statistical technique that incorporates and integrates factor analysis and path analysis. It is utilized to model multivariate causal relationships and test multivariate hypotheses. Besides testing for model fit, SEMs also provide a measure of multi-collinearity. In some cases, the model fits the data well, even though none of the independent variables has a statistically significant impact on the dependent variables. The hypothesis was formulated and represented in a causal model. The model creation is discussed in detail below.

## 7. Theoretical Framework and Hypothesis formulation

When trying to gain an understanding of the bank employees' expectations on training programmes in Oman, it is helpful to have a framework within which to work and from which testable hypotheses are drawn. A theoretical framework enables assessing the bank employees' expectations on training programmes.

### 7.1 Theoretical Framework

To understand better the bank employee's expectations on training programmes in Oman, a framework is established which describes the casual relationship between the sixteen factors of bank employees' expectation variables. The rationale underlying this research framework is straight forward. The following table 2 shows the variable specification for the 16 constructs.

**Table 2:** Variables specification for bank employees' expectation on training programme

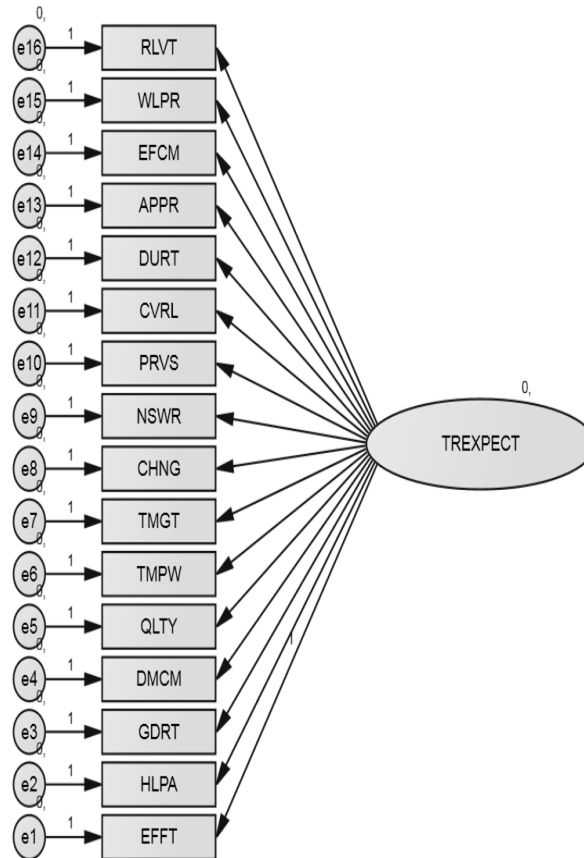
Sl. No	Manifest Variables		Latent Variable
1	The training programme content should be relevant to my job	RLVT	EXPECTATION ON TRAINING PROGRAMME (TREPPECT)
2	The trainer/ facilitator should be well prepared and should mastery over the subject.	WLPR	
3	The trainers should be an effective communicator	EFCM	
4	The teaching aids should be appropriate	APPR	
5	The timing and the duration of training Programme should be appropriate.	DURT	
6	The Training Program will cover the objectives which is needed to learn	CVRL	
7	The knowledge gained in the program will help me to perform my job better and it will prove to be of great importance for learning new skills	PRVS	
8	The quality of activities during the training/event should be excellent and my new skills should be well rehearsed and test checked by the trainer to ensure my proficiency	NSWR	
9	The Training program brings a change in my attitude and behaviour	CHNG	
10	The Program will improve my specialisation skills	TMGT	
11	The program will improve my team participation at work.	TMPW	
12	Training program will improve my quality of performance.	QLTY	
13	The program will benefit me in terms of decision making and improved interpersonal communication	DMCM	
14	The amount spend on training programme should yield a good return on investment.	GDRT	
15	The Training program will help me in achieving the set targets at my Job	HLP A	
16	The overall training program will be effective for me as well as the bank.	EFFT	

**7.2 Hypotheses Development**

The following hypotheses have been defined with the available literature. The following figure-1 is a graphic presentation of the developed hypothetical model. On the basis of presented model, the following hypothesis is proposed.

**Hypothesis:** All the bank employees' anticipation variables are positively associated with Expectation on training programme in Oman.

**Figure 1:** Bank employees' Expectations on Training Programme – Hypotheses model



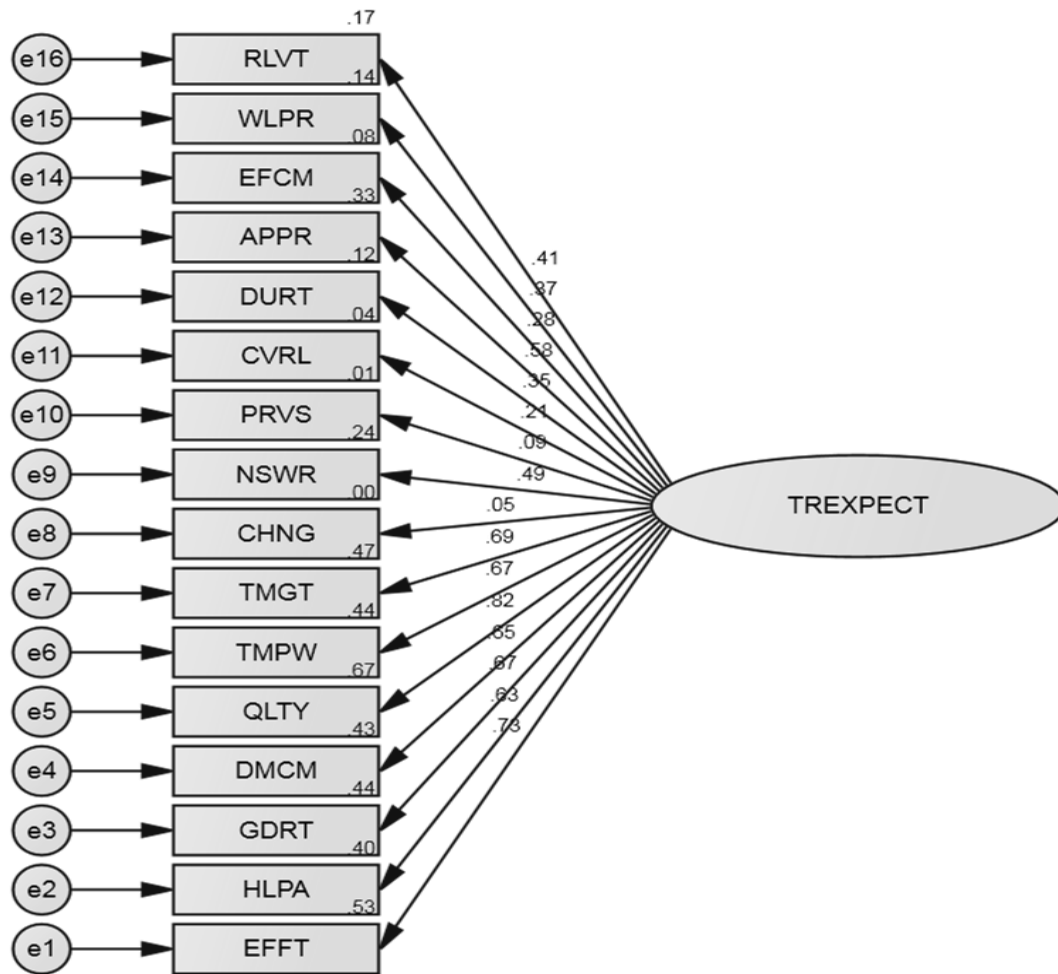
**8. Results and Discussions**

This section presents the result of SEM. It analyses simultaneously a measurement model describing the relationships between a research construct and the indicators used to assess the construct and a structural model depicting the relationships between research constructs. The hypotheses were tested using Lisrel Maximim Likelihood Estimates a SEM technique. SEM enabled researcher to answer a set of interrelated research questions in a single, systematic and comprehensive analysis by modeling the relationship between multiple and dependent constructs simultaneously.

**8.1 Path Model**

The conceptual model in figure 1 was estimated using path model. Model estimation was carried out with the selected sixteen variables.

**Figure 2:** Structural Model – Results of Hypotheses of selected sixteen constructs



From the path diagram, assessed variables with latent variable of successful operation of determining bank employee’s expectation on training programmes in Oman has positive relationship and also significant at 1 percent and 5 percent level.

**Table 3:** Regression Weights-Lisrel Maximum Likelihood Estimates

Latent Variable		Measured Variables	Estimates	SE	R <sup>2</sup>	CR	Hypothetical Relationship
TREXPECT	<---	RLVT	1.920	.084	0.41	22.753	Positive
TREXPECT	<---	WLPR	2.000	.076	0.37	26.339	Positive
TREXPECT	<---	EFCM	1.733	.051	0.28	33.718	Positive
TREXPECT	<---	APPR	1.867	.083	0.58	22.364	Positive
TREXPECT	<---	DURT	1.800	.071	0.35	25.342	Positive
TREXPECT	<---	CVRL	1.707	.096	0.21	17.709	Positive
TREXPECT	<---	PRVS	1.587	.087	0.09	18.199	Positive
TREXPECT	<---	NSWR	2.107	.124	0.49	17.008	Positive
TREXPECT	<---	CHNG	2.187	.123	0.05	17.839	Positive
TREXPECT	<---	TMGT	2.093	.083	0.69	25.184	Positive
TREXPECT	<---	TMPW	1.907	.083	0.67	22.938	Positive
TREXPECT	<---	QLTY	1.947	.089	0.82	21.916	Positive
TREXPECT	<---	DMCM	1.867	.074	0.65	25.112	Positive
TREXPECT	<---	GDRT	1.707	.068	0.67	25.155	Positive
TREXPECT	<	HLP A	1.493	.092	0.63	16.272	Positive
TREXPECT	<	EFFT	1.640	.082	0.73	20.010	Positive

\*\*\*- Significant at 1% level

Table 3 indicates the regression coefficients of the exogenous variables. It is disclosed that the critical ratio of the all the manifest variables are above the table value 2.962 and are significant at 1 percent level. The analysis of the model suggests that all the assessed variables are influenced to determine the bank employees' expectations of training programmes in Oman.

**8.2 Model Fit Summary**

**Table 4 - MODEL FIT INDICES**

Sl. No	Model Fit Indices	Calculated Value	Acceptable Threshold Levels
1	Comparative Fit Index(CFI)	0.772	0-1
2	Normed Fit Index (NFI)	0.867	0-1
3	Relative Fit Index (RFI)	0.658	0-1
4	Incremental Fit Index (IFI)	0.825	0-1
5	Parsimonious Normed Fit Index (PNFI)	0.622	0-1
6	Parsimony Comparative Fit Index (PCFI)	0.554	0-1
7	Tucker Lewis Index (TLI)	0.782	0-1
8	Root Mean Squared Error of Approximation (RMSEA)	0.02	0.05 or less would indicate a close fit of the model

Table 4 indicates the model fit indices of the variables. The entire test has the range of 0 to 1. The comparative fit index (CFI) scored 0.772, normed fit index (NFI) scored 0.867, relative fit index (RFI) scored 0.658, incremental fit index (IFI) scored 0.825, parsimonious normed fit .Index (PNFI) scored 0.622, parsimony comparative fit index (PCFI) scored 0.554, Tucker Lewis index (TLI) scored 0.782, and the Root Mean Squared Error of Approximation (RMSEA) secured 0.02 that indicates a close fit of the model. Hence, it is evident from the aforesaid results the model is a good fit.

**9. Conclusions and Managerial Implications:**

Today, business environment and intense global competition have made it essential for organizations to constantly train their human resources. In order to design training programs, it is essential to understand the employees' need and expectations. Banks provides training like Induction training, Credit, Risk management, CBS-IT, IS-Audit, Recovery, Accounts, Foreign Exchange etc. to their employees to improve their performance. In this study, the researcher focused the bank employees' particularly Omani nationals expectations of training programmes. So, the primary objective of this paper has been to analyse the bank employees' expectations of training programmes in Bank Muscat, Oman. The researchers selected sixteen major constructs, the findings demonstrated that all the sixteen variables are highly significant and has positive relation with employees' expectations. The results are statistically significant and consistent with the variables selected for the study. It is evident all the hypotheses set for the study have proved consistent with the results arrived, and shown that the variables selected for the study proved fit. Hence, the banking industry should consider the above expectations of employees on training module for better training programme. This paper builds on the extant literature on employees training programme in banks to propose an approach for analyzing the bank employees' expectations of training programmes that can serve as a foundation of a concise and easy-to-administer self-report measure for identifying and managing training programmes in banking industry.

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