

## **Assess the Role of Staff Development Followed in Saudi Banks in Achieving Customer Satisfaction**

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### **Abstract**

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This study aims to show whether Saudi banks can achieve customer satisfaction through staff training. The study was conducted with 150 employees divided equally in each of Al-Rajhi Bank and Samba. The necessary data were collected through a questionnaire prepared for this purpose. The results of the study show that banks can achieve customer satisfaction through employees being trained in how to deal with clients, and in training exchanges with other banks.

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### **Introduction**

In an environment characterized by intense competition between business organizations of various shapes and sizes, companies are now striving to retain existing clients and attract new ones for their own survival and continuity. The value of human capital in a business organization is very high, but it increases in the service sector (Erosa et al., 2010). Therefore, it requires organizations to achieve their goals in achieving customer satisfaction, to make a serious investment in the updating of the knowledge and skills of their staff on an ongoing basis, and work on improving the habits and behaviour of employees' performance (Chen&Klimoski, 2007).

Hence, we see that the matter falls under the careful management of the organization's staff acquisition of new knowledge, experience and skills sufficient to fulfil the requirements of the customers, and it is safe to say that this will not be achieved in the absence of continuous training.

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Consequently, an equation can be simply stated in the following form: good and continuous training leads to employees' acquisition of knowledge and skills that enable them to bridge the gap between what the organization is offering and customer expectations, thus leading to achieving customer satisfaction. This research has been conducted in order to assess the role of methods and training programmes used in Saudi banks to achieve customer satisfaction, as represented by Al-RajhiBank and Samba.

### **Study Problem and Questions**

Organizations that provide services to their customers rely heavily for their success upon their ability to achieve customer satisfaction with regard to the employees who deal directly with customers. Therefore, organizations must always be keen to develop their staff through giving employees the skills, abilities and qualities that attract customers to deal with that organization and not others. Accordingly, the problem of this research can be formulated according to this statement: employees' training is a key factor for building the advantage of customer satisfaction in service organizations.

This problem will be discussed in accordance with the following questions:

1. How important is the training of personnel in Saudi banks?
2. What are the training programmes provided to the staff of Saudi banks?
3. How can training activities contribute to achieving customer satisfaction in Saudi banks?

### **The Importance of the Study**

The importance of this study lies in that it deals with the impact of staff training on improving the performance of employees, which results in improved performance of the organization in general, in a manner to ensure the achievement of customer satisfaction. The keenness of Saudi banks to provide the best training programmes for employees is also evident in the annual reports of the two banks mentioned above (Samba and Al Rajhi Bank Annual Reports).

This study will increase the interest of managers in Saudi private sector organizations in training activities, as the results of a study by Shafloot (2012) indicate that Saudi HR managers indeed perceive that factors of the training activity contribute to changes in trainees and the resulting on-the-job performance, and this will increase customer satisfaction.

### **The Study Objectives**

This study aims to achieve the following objectives:

1. To explore the advantages of training for both the trainee and the bank.
2. To establish the extent of the contribution of training to achieving customer satisfaction in Saudi banks.

### **Methodology**

#### Type of Research

This research was conducted according to the descriptive analytical approach, whereby the researcher has analysed the collected data in a way that is fitting to this type of research.

### **Research Population and Sample**

The population of this research consists of the banking sector in the Northern area of Saudi Arabia, while the sample consists of 150 employees working in Al-Rajhi Bank and Samba.

### **Data Collection**

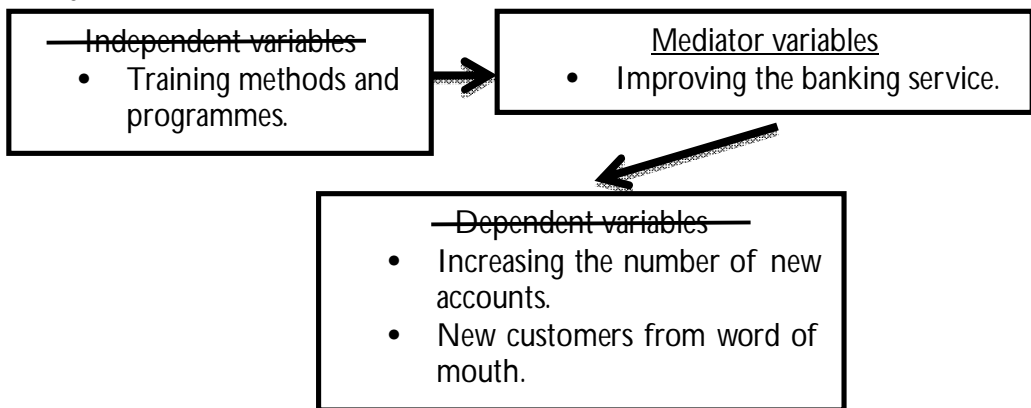
Secondary data were collected from books and previous studies and from the Annual Reports of the two banks. The primary data were collected by distributing a questionnaire to the sample members.

## Hypotheses

**HA<sub>1</sub>:** Training methods and programmes have an impact on achieving customer satisfaction.

**HA<sub>2</sub>:** Staff development programmes contribute to improving the method of providing banking services which leads to the achievement of customer satisfaction.

### The Study Model



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## Theoretical Background and Literature Review

### 1. Training: Definition and Importance

Why, when and how do employers invest in training and developing employees? It makes sense to say that people cannot implement many tasks and actions without being trained by others in how to do them.

We are now living in an era of fierce competition, and face many challenges and developments almost daily, especially in the business world.

This has become the subject not only of economic decisions, but also political ones and their consequences, in addition to technological developments and their outcomes, crises both financial and non-financial, as well as all the consequent procedures and policies imposed on business organizations in addition to economic and cultural globalization.

In order to adapt to such circumstances, and keep abreast of developments, it is necessary for business organizations to work on the processing and preparation of their human capital, and provide them with the necessary knowledge and skills to increase the speed of their response to the changes in the work environment and interact with them efficiently. The question now is: how can organizations implement these tasks? Yang et al. (2009) report that the best way to provide employees with the skills and ability to adapt to and deal with all that is new is by training. Training has multiple objectives that can be drawn from the definitions contained in the literature, where Sarwar et al. (2011) has suggested that training is the next step after employee recruitment in order to modify trainees' behaviour to patterns desired by the organization (CIPD Fact Sheet, 2008), while Blanchard and Thacker (2007) have reported that training helps employees to exercise their jobs more effectively through providing them with comprehensive knowledge and the required skills. In this regard, Chen and Klimoski (2007) point out that training outcomes and initiatives can translate into improved firm performance. Other authors have defined employees' training and development as the activities and materials aimed at supporting the involvement of employees and managers and improving current and future performance, enabling participants to engage in problem solving through discussion of different cases, stories, practical events, video films, etc. (Loyons & Mattare, 2011).

In this era of globalization and economic and cultural openness, new targets have been created for employee training, where Kauffeld and Willenbrock (2011) have pointed out that organizations that suffer from global competition should work to enhance employees' knowledge, skills, competences and attitudes. Some authors add that globalization has generated unprecedented patterns of training. For example, Graf and Mertesacker (2009) report that globalization has increased competition between multinational companies, and, in order to face this, these companies should pay attention to cultural adaptation with the host country. This cannot be done without providing intercultural training, especially for employees who will be working in foreign societies, either as workers or managers (Hurn, 2011).

Furthermore, the controversy between some authors and practitioners has addressed determination about the responsibility of employees' training. In spite of what has been stated in the literature about this problem, the current researcher considers that discussion of such issues is critical because of the diversity of trainees, who may be new or current employees or new graduates.

In this regard, Sarwar et al. (2011) point out that organizations should adopt training to stay strong in the competitive environment, while Ying Ho (2010) suggests that providing training for new graduates is the responsibility of employers, not universities. In the Kingdom of Saudi Arabia, for example, the Institute of Banking provides more than 400 training courses in several areas, such as banking, investment, insurance, management, marketing and English ([www.iobf.org](http://www.iobf.org)).

Other researchers (Wang & Derwry, 2009) have viewed training as an important activity of human resource management (HRM), and it is educational activity that helps employees develop their personal and organizational skills, knowledge and abilities. Hence, the benefit of training is reflected in both the organization and the employee. Organizations must understand that the most important aspect of the training activity is the transfer of trained skills, whereby HRM, in collaboration with the direct supervisor, must ensure that the trainee has applied the training in the workplace, especially training in customer service (Totterdell & Holman, 2003; Wells & Schminke, 2009).

### **Steps Involved in Conducting Training Activities**

Training activity passes through several steps:

1. **Training needs assessment:** in this stage, HRM managers and direct supervisors make a decision about whether training is the right solution to a workplace problem. This stage also depends heavily on gathering data to help managers determine what training can help the organization to accomplish its goals. Cekada (2010) reports that the collected data must be analysed to develop a training plan. Some authors have pointed out that training needs analysis can cover the present and the long range, from 3–5 years (Brown, 2002).
2. **Organizational analysis:** organizational analysis is designed to answer the important question of where an organization needs training and the circumstances that surround the process of training (Arthur & Bennett, 2003).
3. **Operations or task analysis:** the process of task analysis as stated by Cekada (2010) is interested in assessing the skills and knowledge necessary to perform each job, and then to compare these requirements with what is possessed by the employee in knowledge and skills. If the comparison results in gaps between requirements and what is available in the employee, these gaps will then form a kind of training need.

4. Individual analysis: this stage looks at individual employees and how they are performing in the implementation of their job. The related data may be collected through conducting interviews or questionnaires, and sometimes through the employees' performance reviews. The data collected may help in identifying training needs and learning objectives in order to develop a training programme (Wilson & Hash, 2003).

## Training in Saudi Banks

### 1. Al-Rajhi Bank

Within the framework of the responsibility of a group of human resources, a career development project is launched that will pave the way for the planning of career paths and the training plans for the team of general administration staff during the coming year.

### 2. Samba Bank

Samba offers a development programme entitled: How can I develop my skills for a career in the field of banking? Samba implements the majority of its training programmes and a number of training sessions in a training centre which is called the Centre of Banking and Financial Studies. The company is also keen to take advantage of the potential and expertise of the Institute of Banking in Riyadh. In addition, Samba sends a number of its employees to attend courses which are held in the best training institutions in different parts of the world

## Data Analysis and Findings Discussion

**Table 1: The Distribution of the Sample by Gender**

Gender	Frequency	Percentage
Male	110	73.33
Female	40	26.67
<b>Total</b>	<b>150</b>	<b>100</b>

The table above shows that most of the sample members are male (73.33%).

**Table 2: The Distribution of the Sample by Age**

<b>Age</b>	<b>Frequency</b>	<b>Percentage</b>
Less than 25 years	19	12.67
25 - 30 years	56	37.33
30 - 40 years	38	25.33
40 - 50 years	18	12
50 years and over	19	12.67
<b>Total</b>	<b>150</b>	<b>100</b>

The greater number of respondents are those aged 25–less than 30, while the lowest number is for those who are less than 25 years or over 50.

**Table 3: The Distribution of the Sample by Education level**

<b>Education level</b>	<b>Frequency</b>	<b>Percentage</b>
High school	16	10.67
Diploma	22	14.67
Bachelor	101	67.33
Master	8	5.33
PhD	3	2.00
<b>Total</b>	<b>150</b>	<b>100</b>

We note that most of the sample members are holders of a bachelor's degree, forming 67.33% of the total, and the lowest percentage is 2% for PhD holders.

**Table 4: The Distribution of the Sample by Years of Banking Experience**

<b>Number of years of banking experience</b>	<b>Frequency</b>	<b>Percentage</b>
Less than 3 years	17	11.33
3–less than 7 years	87	58.00
7–less than 10 years	16	10.67
10–less than 15 years	22	14.67
15 years and over	8	5.33
<b>Total</b>	<b>150</b>	<b>100</b>

Table 4 shows that the greater percentage pertains to those who have had from 7 to less than 10 years of experience, followed by those who have from 10 to less than 15 years' experience. The lowest percentage was for those who had more than 15 years' experience.



The first finding shows that most of the sample members are in the younger age category, where there is a strong consistency between the age variable where they are aged from 25–30, and education level, where 67% of the sample have a bachelor's degree and less than 7 years of banking experience. This simply means that banks can achieve customer satisfaction because younger employees pay more attention to training than older staff members.

### The Questionnaire Analysis

**Table 5: Statements about Training Programmes**

No.	Statements	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
	Human resource management at the bank holds the identification of training needs for the next period at the end of the current year in coordination with other departments.	40	30	65	6	9
	The direct supervisor consults with his staff about what they need from training programmes.	44	16	81	7	2
	Special training programmes are selected for new employees and are often a type of on-the-job training.	2	110	15	20	3
	The bank focuses on sending staff on the front line (counter staff) on training courses on how to deal with customers.	40	82	19	6	3
	Since I am one of the front line staff, I joined a training course entitled: "How to make the client a friend of yours".	30	76	40	40	-
	One of the training courses I attended dealt with guidance for employees concerning their clothing and their actions, and how to speak with clients.	5	16	101	17	11

.	I noticed that the benefit of earning customer satisfaction can be measured by the number of customers who are attracted by a current client to deal with the bank.	22	54	60	13	1
.	There is no doubt that the use of modern technology in training makes training fun and useful.	30	40	70	7	3
.	The bank sends some employees on training courses outside the scope of the job ("off-the-jobtraining").	101	16	30	3	-
0.	Most of the training courses offered by the bank use technological means such as videos and analogue training.	18	77	3	10	12
1.	The direct supervisor makes sure that the trainee has applied in practice what he has acquired from the training to the workplace.	7	33	101	5	4
2.	I think that training using lectures has become a traditional method of training.	40	101	8	1	-

Through a review of the sample answers to statements 1 to 12, we find that the fourth question received the highest number of approvers (which amounted to 122), and this means that training in how to deal with customers contributes heavily to achieving customer satisfaction. This can be regarded as proof of the first hypothesis.

**Table 6: Statements about staff development programmes**

No.	Statements	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
13.	There are programmes dedicated to the development of qualified staff to fill vacancies at the senior management level in the coming periods.	2	33	91	22	2
14.	These employees are selected by the direct supervisor and	7	102	29	4	8

	incoordination with the human resources department.					
15.	The bank sends some of these employees to work for a period of not less than one month in one of the foreign banks with a good reputation for training and prior coordination.	66	38	34	8	4
16.	A while ago the bank signed an agreement with three banks for the implementation of so-called exchange careers.	7	48	90	4	1
17.	The intention of a career exchange is that an employee of the bank works in another bank in exchange for an employee at the same level from the other bank to work in the first bank for a determined amount of time.	142	1	7	-	-
18.	The career exchange provides the trainee with new knowledge on how to deal with different categories of customer.	44	32	41	23	10
19.	The bank sends a number of these employees on training sessions outside the country to get to know new cultures and modern banking products, and mastery of a foreign language at least.	77	34	30	4	5
20.	When the employee returns from the foreign training course, he will be asked about the means by which he learned to improve the bank's reputation and increase customer satisfaction.	14	16	107	9	4
21.	The bank offers to its customers, companies and individuals, solutions to the problems faced by the employees of the company	33	76	31	6	4

	during the performance of their business.					
22.	The bank has previously sent me to one of the client companies to train an employee in the company's accounting department about how to conduct the analysis of financial statements.	6	2	110	21	11
23.	The bank is keen to coordinate with corporate clients, which has increased the number of employees by about 20, to provide free training sessions by the staff of the bank.	14	22	110	4	-

Through a review of the sample answers to statements 13 to 23, we find that statement 17 received the highest number of approvers (amounting to 143), and this means that a career exchange can be a factor in achieving customer satisfaction. This can be considered as proof of the second hypothesis.

**Table 7: Statements about Achieving Customer Satisfaction**

No.	Statements	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
24.	The bank achieves its targets in terms of the number of new accounts.	16	134	-	-	-
25.	There are many new customers who are dealing with the bank because of their relationship with current customers.	87	41	18	2	2
26.	There is a clear decrease in the number of customer complaints.	101	16	28	3	2
27.	A lot of customers, especially business owners, are seeking advice regarding some of their business from the bank's employees.	10	20	110	4	6
28.	Most of the bank's clients are dealing with the bank through several outlets and banking services as one package.	99	48	-	-	3

Statement 28 received the highest number of approvers. This statement relates to customers dealing with the bank on the basis of a package of banking services as one of the manifestations of achieving customer satisfaction. It can also be noted that the two banks are very serious about achieving customer satisfaction.

## Recommendations

The researcher presents the following recommendations:

1. Saudi banks should consider dealing with training as a necessary requirement, not as an extra need.
2. Saudi employees should attend a number of training courses.
3. Customer satisfaction relies on qualified and skilled human capital.
4. Saudi banks must coordinate with reputable banks to provide training for their employees.

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