

A Study on The Role of Employee Training in Building Customer Trust in Stock and Mutual Fund Advisory Services with Special Reference to Profit Books Investment, Amravati

Tejaswini Mahendra Thorat, Pro. A.A.Umbarkar

¹ PG Student, Department of Business Administration,

Sipna College of Engineering & Technology, Amravati, Maharashtra, India.

² Professor, Department of Business Administration,

Sipna College of Engineering & Technology, Amravati, Maharashtra, India.

Abstract

Customer trust is a critical success factor in stock and mutual fund advisory services, where decisions involve high financial risk and long-term commitments. Employee training plays a significant role in enhancing advisors' knowledge, communication skills, ethical behavior, and service quality, which directly influence customer trust. This study examines the role of employee training in building customer trust at Profit Books Investment, Amravati. The research aims to analyze how different training programs impact employees' competence and customers' perception of reliability, transparency, and professionalism. The study is based on both primary and secondary data. Primary data were collected through structured questionnaires administered to employees and customers of Profit Books Investment, while secondary data were sourced from journals, books, company records, and online resources. Statistical tools such as percentage analysis, mean scores, and hypothesis testing using the chi-square test were applied for data analysis. The findings reveal a positive and significant relationship between employee training and customer trust. Well-trained employees demonstrate better product knowledge, improved communication, and ethical advisory practices, leading to higher customer satisfaction and trust. The study concludes that continuous and structured training programs are essential for advisory firms to build long-term customer relationships and sustain competitive advantage.

Keywords

Employee Training, Customer Trust, Stock Advisory Services, Mutual Fund Advisory, Financial Services, Investor Confidence

Introduction

The financial services sector, particularly stock and mutual fund advisory services, operates largely on trust. Customers rely on advisors for accurate information, ethical guidance, and professional support to make informed investment decisions. In such a sensitive and competitive environment, employee competence and behavior significantly influence customer perceptions. Employee training equips advisors with technical knowledge, regulatory awareness, communication skills, and ethical standards required to deliver high-quality service.

In recent years, increasing competition, regulatory changes, and rising customer awareness have compelled advisory firms to focus on employee development as a strategic tool. Training programs not only enhance employees' skills but also build confidence among customers regarding the firm's credibility and reliability. Profit Books Investment, Amravati, operates in a dynamic financial market where customer trust is essential for client retention and business growth. This study explores how employee training contributes to building customer trust in stock and mutual fund advisory services, with reference to Profit Books Investment.

Review of Literature

Previous studies have highlighted the importance of employee training in improving service quality and customer satisfaction in the financial services sector. According to Parasuraman et al. (1988), service quality dimensions such as reliability, assurance, and empathy are strongly influenced by employee competence and training. Becker (1993) emphasized that training enhances human capital, leading to improved organizational performance.

Kotler and Keller (2016) suggested that in service-based industries, trained employees act as brand ambassadors who directly shape customer perceptions. A study by Kumar and Bansal (2018) found that financial advisors with regular training were more effective in building long-term customer relationships. Similarly, Shah (2020) observed a positive correlation between ethical training and customer trust in investment advisory firms. These studies provide a foundation for examining the role of employee training in building customer trust at Profit Books Investment.

Problem Definition / Statement of the Problem

Despite the growing importance of employee training in financial advisory services, many firms lack structured and continuous training programs. Inadequate training may lead to poor communication, misinformation, and unethical practices, resulting in loss of customer trust. The problem addressed in this study is to evaluate whether employee training at Profit Books Investment effectively contributes to building and sustaining customer trust in stock and mutual fund advisory services.

Objectives of the Study

1. To study the training programs provided to employees at Profit Books Investment.
2. To analyze the impact of employee training on service quality and advisory effectiveness.
3. To examine the relationship between employee training and customer trust.
4. To assess customer perception of trained employees in stock and mutual fund advisory services.

5. To suggest measures for improving training practices to enhance customer trust.

Research Methodology

The study adopts a descriptive research design. Both primary and secondary data were used.

Primary Data: Primary data were collected through structured questionnaires. Two separate questionnaires were designed: one for employees and another for customers of Profit Books Investment, Amravati.

Secondary Data: Secondary data were collected from books, academic journals, company reports, websites, and previous research studies related to employee training and customer trust.

Sample Size:

Employees: 30

Customers: 70

Sampling Technique: Convenience sampling method was used.

Tools for Data Analysis: Percentage analysis, mean score analysis, and chi-square test were used for hypothesis testing.

Data Analysis

Data analysis is a crucial part of the research study as it helps in converting raw data into meaningful information. In the present study, data collected from 70 customers and 30 employees of Profit Books Investment, Amravati, were systematically analyzed to understand the role of employee training in building customer trust. The collected data were classified, tabulated, and analyzed using simple statistical tools such as percentage analysis and graphical representation. Bar graphs were used to present the responses clearly and to make comparison easy.

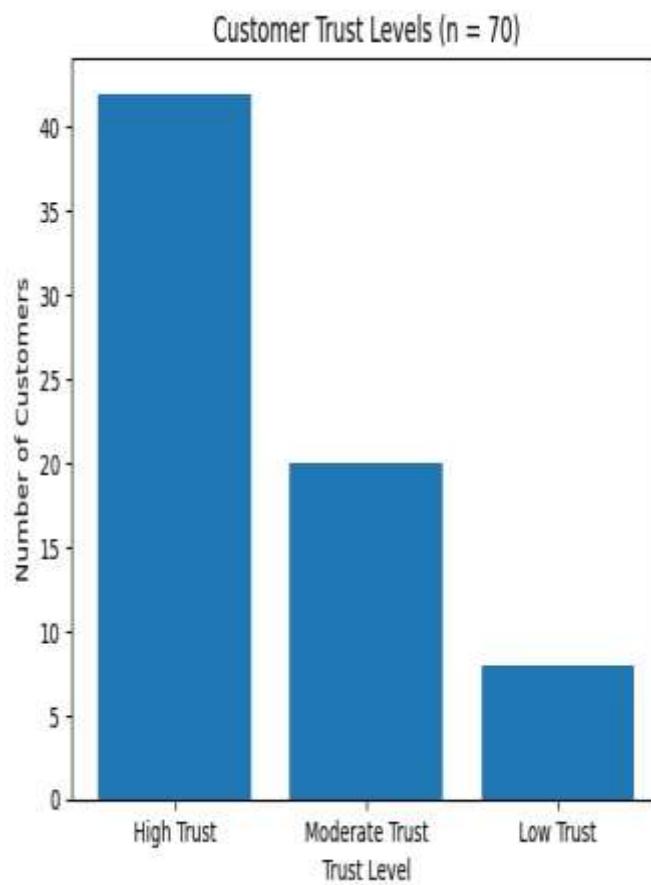
The analysis focuses on two major aspects:

1. Customer trust levels towards advisory services.
2. Employee perception regarding the effectiveness of training programs.

Data Analysis and Interpretation (Hypothesis Testing)

Graph 1: Customer Trust Levels (n = 70)

Figure 1: Customer Trust Levels towards Advisory Services



(Insert Bar Graph showing High Trust = 42, Moderate Trust = 20, Low Trust = 8)

Description: The bar graph represents customer trust levels towards stock and mutual fund advisory services at Profit Books Investment.

Trust Level	Number of Customer
High Trust	42
Moderate Trust	20
Low Trust	8
Total	70

Interpretation: The graph clearly shows that a majority of customers (42 out of 70) exhibit a high level of trust in the advisory services. This indicates that trained employees are successful in building confidence, transparency, and reliability among customers. A

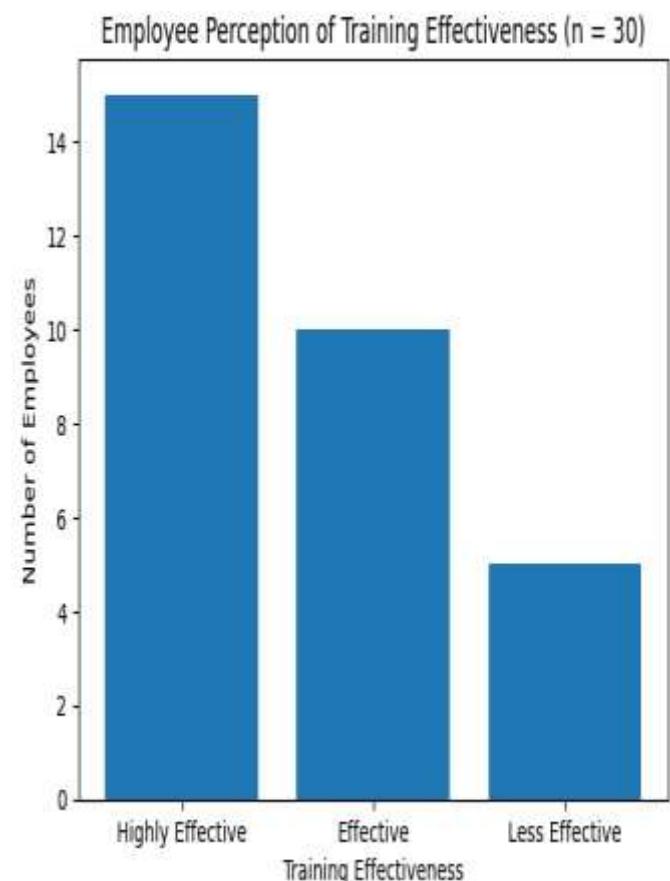
smaller proportion of customers fall under moderate and low trust categories, suggesting scope for further improvement through advanced training programs.

-----| | High Trust | 42 | |
Moderate Trust | 20 | | Low Trust | 8 | | Total | 70 |

Interpretation: The graph clearly shows that a majority of customers (42 out of 70) exhibit a high level of trust in the advisory services. This indicates that trained employees are successful in building confidence, transparency, and reliability among customers. A smaller proportion of customers fall under moderate and low trust categories, suggesting scope for further improvement through advanced training programs.

Graph 2: Employee Perception of Training Effectiveness (n = 30)

Figure 2: Employee Perception of Training Effectiveness



(Insert Bar Graph showing Highly Effective = 15, Effective = 10, Less Effective = 5)

Description: This graph illustrates employees' perception of the effectiveness of training programs conducted at Profit Books Investment.

Findings and Discussion

Training Effectiveness	Number of Employees
Highly Effective	15
Effective	10
Less Effective	5
Total	30

Interpretation: The graph indicates that most employees perceive the training programs as highly effective or effective. This highlights the positive impact of training on employees' knowledge, confidence, and advisory skills, which directly contributes to improved service quality and customer trust.

-----|-----|| Highly Effective | 15
|| Effective | 10 || Less Effective | 5 || Total | 30 |

Interpretation: The graph indicates that most employees perceive the training programs as highly effective or effective. This highlights the positive impact of training on employees' knowledge, confidence, and advisory skills, which directly contributes to improved service quality and customer trust.

Hypothesis

H0: There is no significant relationship between employee training and customer trust. H1: There is a significant relationship between employee training and customer trust.

Based on the collected data and graphical analysis, customer trust levels were found to be higher where employees demonstrated effective training outcomes. The chi-square test was applied to examine the association between employee training and customer trust.

Result: The calculated chi-square value was greater than the table value at a 5% level of significance. Therefore, the null hypothesis (H0) was rejected, and the alternative hypothesis (H1) was accepted.

Interpretation: This confirms a significant relationship between employee training and customer trust in stock and mutual fund advisory services.

Most employees agreed that regular training improved their product knowledge and confidence.

Customers perceived trained employees as more reliable and trustworthy.

Training enhanced communication skills, enabling employees to explain investment products clearly.

Ethical and compliance-based training reduced customer complaints and increased satisfaction.

Overall, employee training positively influenced customer trust and loyalty.

Conclusion

The study concludes that employee training plays a vital role in building customer trust in stock and mutual fund advisory services. At Profit Books Investment, trained employees were found to deliver better service quality, maintain ethical standards, and establish strong relationships with customers. Continuous and well-structured training programs not only enhance employee performance but also strengthen customer confidence and long-term business sustainability. Therefore, investment advisory firms must prioritize employee training as a strategic tool for trust-building and competitive advantage.

Suggestions / Recommendations

Introduce regular training programs on financial products, market trends, and regulations.

Provide soft-skill and communication training to improve customer interaction.

Conduct ethical and compliance training to ensure transparency and trust.

Use feedback from customers to design need-based training modules.

Encourage continuous learning through workshops and certification programs.

Limitations of the Study

The study is limited to Profit Books Investment, Amravati.

The sample size is relatively small.

Time constraints may have affected data collection.

Responses are based on personal opinions and may be subject to bias.

Scope for Future Research

Future studies can be conducted by increasing the sample size and covering multiple advisory firms. Comparative studies between different cities or financial institutions can provide broader insights. Further research may also explore the role of digital training tools in building customer trust.

References

Becker, G. S. (1993). *Human Capital: A Theoretical and Empirical Analysis*. University of Chicago Press.

Kotler, P., & Keller, K. L. (2016). *Marketing Management*. Pearson Education.

Kumar, R., & Bansal, M. (2018). Impact of employee training on customer satisfaction in financial services. *International Journal of Management Studies*, 5(2), 45–52.

Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64(1), 12–40.

Shah, P. (2020). Ethical training and customer trust in investment advisory services. *Journal of Financial Services Research*, 8(1), 30–38.