



IMPACT OF TRAINING AND DEVELOPMENT ON PERFORMANCE OF EXECUTIVE-LEVEL EMPLOYEES IN LICENSED SPECIAL BANKS: EMPLOYEES' PERSPECTIVE (WITH SPECIAL REFERENCE TO ABC BANK PLC HEAD OFFICE)

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INTRODUCTION

Organizations in the current global environment need to strategically use their resources, including human resources, to gain a competitive advantage. The success and the sustainability of the organization often depend on its employees' performance. Human resources play a significant role in the service industry by contributing to the economic development of the country (Saide, 2019). Employees are the lifeblood of an organization, and their collective attitude can greatly affect the direction and achievement of organizational goals. Hence, employee job performance is important for all companies (Mathis and Jackson, 2000).

Training and development are an attempt to improve such employees' current and future performance, but the organization should keep track of their performance as well (Janice, 2002). A training program is an effort by the employer to provide opportunities for the employees to acquire job-related skills, attitudes, and knowledge that can help them perform as required by the institution. Banks need to have efficient human resources which can be possible by providing them with quality training, training programs should keep pace with changing times and must be unconventional. Training changes the mental and social outlook of employees. Customers and their needs can be identified, and they are satisfied accordingly (Venkatesh, 2009). Training can be defined as a learning activity that is directed towards the acquisition of specific knowledge and skills for the purpose of an occupation or task (Cole, 2002). According to Shields (2016), employee performance has been defined as the degree to which an employee executes the duties and responsibilities.

ABC Bank PLC is a licensed specialized bank that has been assigned a national long-term rating of BB+ (lka) with a stable outlook by Fitch Ratings Lanka Ltd., and the (SL) BBB- with stable outlook by ICRA Lanka Limited. It comprises of 94 branches manned by a workforce of 1,475 dedicated employees across the island. During the last three years, profit share and employee performance have decreased by a significant percentage which according to the managers' belief draws back the bank and its ratings in this competitive banking industry. The fact it is obvious because in the service industry employee behaviour and commitment decides the ultimate organizational performance through the level of service. In the juncture, when considering the Human Capital Index, researchers could identify that the investment for training and development is very less and in the year 2019 and that it has decreased by 29%. When going through the training hours per employee there was also a continuous reduction to be seen from 2016 to 2019. This aroused the necessity to identify whether the training influences their performance, especially from employees' perspective. Hence, this study was designed to find the impact of training and development on employee performance in ABC Bank PLC. Many studies which evaluate training effectiveness are available, but studies on identifying the impact from the viewpoint of employees are limited in the Sri Lankan context.

METHODOLOGY



This study was based on positivist research philosophy, deductive research approach, and quantitative in nature. The conceptual framework was advanced from previous theoretical and empirical research on training and development and employee performance. Accordingly, identification of training needs analysis (IOTN), selection of trainees (SOT), and training content and delivery approaches (TCDA) represented the independent variables while employee performance was considered as the dependent variable. Hypotheses were developed to depict the link between each independent and dependent variable.

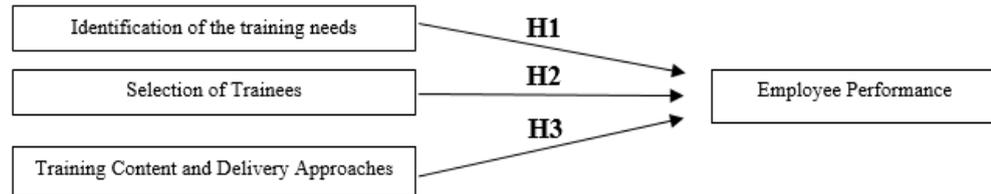


Figure 1: Conceptual framework of the study

The population of the study consisted of 154 executive employees from which a sample consisted of 115 employees was selected using stratified random sampling. The researcher used a questionnaire to gather the primary data needed for the study. The questionnaire used to assess employee performance was based on the questionnaire developed by Wickramasinghe and Nisaf (2013) while variables under training and development were measured using questionnaire developed by Maaly, Abedallah, and Mohammed (2015). Modifications were done to the terminology of certain questions to match the context under concern. The questionnaire proved its validity by the way of expert opinions and accepted reliability was achieved as all the Cronbach alpha values recorded values above 0.7 (Saunders, Lewis and Thronhill, 2016). All the items were scored on a five-point Likert scale ranging from 1 for “Strongly disagree” to 5 for “Strongly agree”.

The following hypothesis was developed to test the impact between the dependent and independent variables.

- H1 - There is a significant positive impact of identification of the training needs on the performance of Executive level employees in ABC Bank PLC
- H2 - There is a significant positive impact of the selection of trainees on the performance of Executive level employees in ABC Bank PLC
- H3 - There is a significant positive impact of training content and delivery approach on performance of Executive level employees in ABC Bank PLC

RESULTS AND DISCUSSION

The sample profile of the current study consisted of 53.6% males and 46.4% females. There is a 58.2% of the sample between 21 and 30 while 3.6% of the sample was less than 20 years of age. Majority of the respondents in the sample were unmarried and it represented a percentage of 64.5. A vast majority of the respondents have worked in the bank for 3 to 5 years (45.5%) and the majority of the respondents are bachelor's degree holders, which represented 53% of the sample.

Based on the mean values, the selection of trainees reported the highest (4.1216) reflecting that the respondents are in agreement of the statements on the trainees’ selection. Employee



performance also recorded a higher mean value of nearly 4.0 demonstrating the employees' own positive perception on their performance. According to the correlation analysis, all the independent variables showed a significant strong positive relationship with the dependent variable. The training content and delivery approaches depicted the strongest relationship with employee performance since it had the highest R value of 0.766.

Table 1: Mean, Standard Deviation and Correlation statistics

	Mean	SD	TCDA	SOT	IOTN	EP
TCDA	4.0961	.42268	1			
SOT	4.1216	.37268	.687**	1		
IOTN	4.0948	.40742	.787**	.787**	1	
EP	4.0571	.44136	.766**	.713**	.747**	1

Notes: *p<0.05, **p<0.01, N=110

Source: Survey Data (2021)

The adjusted R square value shows that 65.6 percent of the variation in employee performance is explained by the independent predictors of the study. (IOTN, SOT, and TCDA). Even though there is a variation in the levels each independent variable predicts employee performance, all three independent variables were statistically significant in predicting the employee performance. The variable training content and delivery approaches with a beta coefficient value of 0.352 can be considered as the most predicting variable of employee performance. Accordingly, all the hypotheses developed based on the impact of these independent variables on the dependent variables were accepted.

Table 2: Regression Analysis

	Employee Performance
F	70.291*
Adjusted R ² (percent)	65.6
Individual beta coefficients	
Identification of the training needs	0.259*
Selection of trainees	0.300*
Training contents and delivery approaches	0.352*

Notes: *p<0.05

Source: Survey Data (2021)

Training and development have a positive impact on the employees to carry out their work more effectively, increasing their interpersonal and technical abilities, teamwork, job confidence, and work motivation (Kate, Cherrie, Brian, Yiming and Sijun, 2009). The analysis results of the present study further confirms such claims as its independent variables which represented training and development showed a significant positive impact on employee performance.

Many previous researchers have proved the impact of the identification of training needs



on employee performance. Poon and Othman (2000) found out that training needs assessment positively influences employees' job performance. A study of the effect of training needs analysis among insurance firms in the UK revealed that the businesses posted a 56% increase in their performance after applying needs analysis techniques (Denby, 2010). This research study also confirms these findings by recoding a significant positive impact of training needs assessment on employee performance with a beta coefficient of 0.468.

The second variable selection of trainees has a significant positive impact on employee performance. As indicated by the result of regression analysis, the selection of trainees was found to have an impact on employee job performance. Hence, the selection of trainees was to be a predictor of employee performance. There are many previous studies which are in line of this finding that there is an impact of the selection of trainees on employee performance (Maaly, Abedallah and Mohammed, 2015). When the organization is performing a proper analysis to select the trainees after considering the performance assessments it will automatically lead to improvement in employee performance. When the selection is done in a transparent way the employees feel satisfied and the involvement motivates them to work hard.

According to Govindappa and Manjula (2017), it indicates that training contents have a positive and significant effect on employee performance. This implies that the increase in the quality of training content will increase the level of employee job performance. The results concur with the findings of Ostroff and Kozlowski (1993) which signifies that mentoring relationships have been proved with many positive outcomes, including improved socialization promotions. This research study found that there is a significant positive impact of training content and delivery approaches on employee performance. It had the highest beta coefficient of 0.468 which depicts that it has the highest impact on employee performance when compared with the other two variables in the study.

CONCLUSIONS/RECOMMENDATIONS

Training programs to be amended as today's requirement of the bank to face any changes in the industry with globalization (Internet banking, Mobile banking, and Self banking can be indicated as examples). Organizations can establish and develop specific training techniques and it can identify different methods for employees, as an example organization can generate on the job technique and of the job technique, they can use the distance and internet-based training, it provides high productivity for employees. Minimizing employee turnover and absenteeism can develop employee productivity.

Interviews and current training materials were examined thoroughly to point out the existing training resources' weaknesses, performance gaps, and strengths. The HR managers need to do the personal analysis properly. The performance assessment sheets need to be individually analyzed and it is important to have a physical interview with the employees to identify what areas that needed to be developed to gain a proper advantage of the training program. Selection of trainees needs to be done after considering both performance appraisal sheets and the findings from the interview.

Required skills and knowledge should be determined with a workplace profile. It is essential to map out what knowledge and skills workers need to fulfil the responsibilities of their specific roles to ensure clarity in the training. HR can do this by creating a profile for the workplace that defines these parameters. HR can include employee demographics, such as experience and education and compile to use this information to draw important inferences, such as ideal employee count per department.



Based on the findings, improving the current training process can overcome many drawbacks in the bank. It has been observed that management should adequately motivate their trainees especially when the training is in progress and thereafter. It is evident that training and development are really needed in all companies and that employees should undergo various training programs every year since it gives them better performances on the job and motivation, helps in choosing a career path, efficiency, and effectiveness, improvements in leadership and decision making, making fewer mistakes. All these factors are not only helping employees to have a better working environment but also ensures that the companies benefit from the training programs. Companies will have an increase in the overall performances, possible increase in profits and incomes.

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ABBREVIATIONS & ACRONYMS

HR – Human resource

EP- Employee performance

IOTN – Identification of training needs

SOC – Selection of trainees

TCDA – Training content and delivery approaches

TNA – Training Needs Analysis