IMPACT OF TRAINING AND DEVELOPMENT ON EMPLOYEE PERFORMANCE IN SELECTED BANKS IN EDO NORTH SENATORIAL DISTRICT, NIGERIA

Ugbomhe O. Ugbomhe, (Ph.D)
Department of Business Administration,
Ambrose Alli University, Ekpoma, Edo State, Nigeria

Osagie, G. Nosakhare, (Ph.D)
Department of Business Administration,
Ambrose Alli University, Ekpoma, Edo State, Nigeria

Prof. Egwu, U. Egwu, (Ph.D)
Department of Business Management,
Ebonyi State University,
Abakaliki, Nigeria

ABSTRACT

The paper examined the impact of training and development on employee’s performance in organisations. The study adopted survey research design and the population of the study consist of all commercial banks in Edo North Senatorial District, Nigeria. The study was restricted to a selected sample size of 30 respondents drawn from 5 banks in Edo North. A structured questionnaire with a five-point likert scale was used as the instrument of data collection. Two hypotheses formulated for the study were tested using t-test statistics at 0.05 % level of significance. The findings showed that appropriate training and development of banking staff can result in efficient performance of their functions. Based on the findings, the paper recommended that management should define an appropriate training and development programmes for each category of staff who need to be trained and developed.

Keywords: Training, Development, Commercial Bank, Employee, Performance.

Introduction:

The success of an organisation is extremely dependent on its human resources. Human resources have played a key role in the socio-economic development in most advanced countries. Although it is true that several other factors play a significant role, an organisation must have productive employees in order to stay competitive and financially solvent. It, therefore, follows that a developing nation like Nigeria with its necessary financial support and vast and rich national resources can also experience such socio-economic success if the desire attention is given to the training and development of her human resources. Organisations must be aware of employee satisfaction and retention in order to maintain human resources. The mistake many organisations make is the assumption that employees are only seeking economic rewards from their jobs. This assumption is wrong because many people place high premium on the intrinsic benefits of their careers. It does not only have negative business consequences but it is a mistake for employee satisfaction and retention. Organisations must have employees who have the capacity to quickly adapt to a dynamic world market. Organisations need to invest in current employee development to enable organisations to both keep employees and be successful.

Training is often used casually to refer to any effort initiated by an organisation to facilitate and foster learning among its members. A distinction was made between training which seems to be more narrowly focused and oriented toward short-term performance concern and development which seems to be oriented more towards broaden the skills of an individual for
their future responsibilities (Anthony, 1999). Training is thus a systematic process of changing the behaviour, knowledge and/or orientation of present employees to improve the match between employee characteristics and employment requirement (Milkovich et al, 1988 cited in Eze, 2005). Training of staff has thus, become a major consideration in facilitating levels of organisational productivity. This is done to the simple reason that it provides skills needed now and in the future for the organisation. It is also true that organisation can enjoy competitive advantage through training and development of workers. Modern organisations have come to realize that training is a yardstick for organisational survival and success. Both large and small organisations need competent personnel for efficient and effective management. The formal educational system does not sufficiently need particular job skills for a position in a specific organisation. Few employees have the required knowledge, competences, skills and abilities required to do the job. To be able to make adequate contribution towards the growth of the organisation, many employees need extractive training to attain the necessary knowledge, competences abilities and skills (Barron and Hagerty, 2001 in Dzameso, 2012). What is becoming more crucial due to a range of changes affecting organisations is the development of employee capacity via training. These changes include increasing organisational complexity, need for higher productivity, technological advances, union intervention, application of behavioural science knowledge, legislation, employee expectation and changing social values. The growing diversity of the workforce and occupational out datedness are among the most important challenges (Sperk, 2002). Employee need to attain and develop knowledge and skills if they are to experience flexibility and effectiveness on the job. It therefore implies that employees need to see visible signs of management’s environment to their training and career need because of their believe that they are valued by the organisation they work for. The amount, quantity and quality of training carried out vary greatly from organisation to organisation. Cole (2002) opine that the quantity and quality of training and development activities include the degree of change in the external environment, the rate of internal change, the availability of sustainable skills within the existing workforce and the degree to which management view training as a motivating factor in work. Training and development is so crucial that it is not only imperative but continuous. No organisation can dispense with it as a programme and as a process (Ngu, 1992). Pigers and Myers (1980) admit that “no organisation can choose whether or not train employees”. All new staff, irrespective of previous training, education and experience need to be introduced to their new employer’s work environment and to be taught how to perform particular tasks.

Statement of the Problem:

Banks in Nigeria and indeed the public sector engage in training and development of staff. The important role of training and development in enhancing employee performance in organisation needs little debate. Although, the impact of training and development on employee performance in the organisation has received more attention from academic and researchers, very few of these studies have focused on employee performance in the banking industry. Employees in the banking industry do not feel motivated by the training offered and this has impacted negatively on their performance. Indeed, many have even never participated in training and development activities. The situation is such that the employees are not motivated by the kind of training they are offered. Training activities are not tailored towards employee job needs. There is a gap between employee job needs and training activities making it very difficult to facilitate performance in banks. This has advance implications on the growth of the banking industries. This is against any known management training principles. In such programmes, lobbying, corruption and nepotism is persistent as training would be used to compensate selected few.

The impact of training and development on organisational objective in the banking industry has not been substantially investigated and documented. This is in spite of the significant contribution of this sector to economic development, training and development activities have been shown to be unreasonably low. In this industry, the success of the banks is thus dependent on the caliber of its employees and how effective they are trained in order that they help the organisation achieve its objectives.

Objectives of the Study:

The broad objective of this study is to examine the impact of training and development of staff within the banking industry in Nigeria. Specially, the study seeks:

1. To assess the extent to which appropriate training and development of banking staff can result in efficient performance of their job functions.
2. To identify whether training/development tailored towards job needs can motivate staff to higher performance in banks.
3. To find out the relationship between training/development and achievement of organisational goals in banks.
Hypotheses:

$H_01$: There is no significant relationship between appropriate training and development of banking staff and efficient performance of their functions.

$H_{02}$: There is no significant relationship between training/development and motivation toward job needs and motivation of staff to higher performance in banks.

$H_{03}$: There is no significant relationship between training/development and achievement of organisational goals in banks.

Literature Review:

Training and development for the effective use of human resources is one of the most important areas of the human resource management (HRM) function. Training and development is the field concerned with organisational activity aimed at improving the performance of individuals and groups in rightful settings. It has been known by many names including employee development, human resource development and learning and development (Harrison, 2005). Training is the method of increasing the skill and knowledge of an individual for performing a specific job. Traditionally, training has been defined as the process by which individuals change their skills, knowledge, attitudes and/or behaviour (Decenzo & Robbins, 1996). Training in this context involves designing and support learning activities that give rise to a designed level of performance. In the current situation, training is clearly viewed as a technique of not only enhancing the growth of the individual employee but as an integral part of organisational growth.

Training according to Ngorwa (2009) is a learning process in which employees acquire knowledge, skills, experience and attitudes that they require in order to perform their job better and further for the attainments of the organisational goals. It is the bridge between employee present specifications and job requirements. This means that changing employee attitudes toward their jobs and organisation are what they know work.

Armstrong (2008) define training as the planned and systematic modification of behaviour via learning events, programmes and instruments which enable individuals to attain the levels of knowledge, skill, competence required to carry out the work effectively. It means that through training, employee acquire technical knowledge, new skills, problem-solving ability thus giving rise to increased job performance of the worker. Skills are also improved and the existing level of knowledge is upgraded. The resultant effect is that the employee is better equipped to do his current job or to mode employer to be fit for a higher job characterized by higher responsibilities. Thus, Gordon (1992) cited in Irene (2012) viewed employee training as the planned and systematic modification of behaviour through learning events, activities and programmes which result in the participants attaining the levels of knowledge, skills, competences and abilities to carrying out their work effectively.

Armstrong (1996) gave an understanding of training by saying that training should be developed and operated within an organisation by appreciating learning theories and approaches if the training is to be well understood. Sherman et al (1996) opined that the success of a training programme will depend more on the organisation’s ability to identify their needs and care with which it prepares the programme so that if the trainees do not learn what they are supposed to learn, the training is deemed unsuccessful. What they are emphasizing is that recognition and application of basic psychological principles of learning is related to the success or failure of a training programme.

Barrington & Simpson (2002) clarified that objectives of training of employee should be cleared. Thus, training is required so as to improve the efficiency of the worker, reduce supervision required, introduce a new process, enhances the opportunities for internal promotion as specific skills, behaviour and communication, enhances the efficiency of the worker, decrease the chances of accidents, provided training for unskilled workers to make them more valuable to the firm and hence more productive.

Gibson (1996) cited in Comma (2008) has observed an elaborate definition of the desired goals sought by training as productivity maintenance and productivity enhancement. In terms of productivity enhancement, he noted that:

Much of human resource training is a form of maintenance expense. Ne people are constantly being lured and must be indoctrinated and trained. Experience productive employees leave the company for many reasons such as retirement and replaced by those who need training and experience.

In the context of productivity enhancement, he argued that some training and development may be or can be strategic in nature that is required to obtain fuller utilization of human resources and thus increase rather than merely maintaining productivity.

Armstrong (2006) see development as an unfolding process that enables people to progress from a present state of understanding and capability to a future state in which higher-level skills, knowledge and competences are needed. Development does not imply concentrating on improving performance in the present job. Rather, it takes the form of learning which prepared the individual to exercise under responsibilities. According to Harrison (2000) development is a learning experience of any kind whereby groups or individuals require skills, behaviour, knowledge and values, it has to do with
long-term development and potential of the individual and it is more career than job oriented. Development covers not only those activities which enhance job performance, but also those which bring about growth of the personality.

It is reported that there are three discernable definitions of development. The first is that development is a process of structural societal change. Thomas (2004) cited in Dzemesi (2012) refers to the meaning of development as “a process of historical change. This view of “structural transformation” and “long-term transformation of economies and societies” is one that predominated in the 1950s and 1960s. Development in this perspective refers to a wide view of diverse socio-economic changes. The process does not relate to any specific set of objectives and so is not prescriptive. Analysis is not based on any expectations that all societies will follow approximately the same development process.

The second is that “development” can be seen as “a vision or measure of progress change” (Thomas, 20040 and Gore (2000) as cited in Dzemesi (2012) relates to performance assessment. This perspective is narrower in definition and is technocratic or instrumental. It is based on value judgement and has short-to-medium-term time horizon. The major feature of this view is that it is focused on the outcomes of change.

The third perspective sees development as a dominant “discourse” of Western modernity. In other words, it is post-modernist, approach to development. For post-modernist, the major ingredient of this approach is that developments (and poverty) are social constructs which do not exist in an objective sense outside of the discourse (a body of ideas, concepts and theory) and that one can only “know” reality through discourse. There is no such thing as “objective reality” in this approach. Such a discourse approach may be seen to examine how individual use particular types of language and imagery to represent themselves and others in a specific way. The focus is on how these images were underlain by and reproduced through power relations and what their political social and economic effects are rather than whether or not they are “true” (Dzamesi, 2012).

Employee development helps the individual to enhance ability to handle a variety of assignments, facilitates performance at all levels in their present jobs, helps to sustain good performance of the employee throughout their career, exploring their full potential to provide the opportunities for the staff to fulfill their career aspiration, to align availability of needed number of personnel with the required skills so as to meet the present and anticipated future needs of the organisation.

The Concept of Job Performance:

Job performance refers to how well employees’ performance on the job and assignments assigned them measure about the generally accepted measure of performance skills set by the organisation (Dzamesi, 2012). This implies that there are general expectations expected of employees in relation to their performance in every organisation. Employee is said to have performance when he or she has met the expectations and performance up to standard.

Job performance can also be referred to as the functioning and presentation of employees. This implies how employees are able to effectively and actively administer their task and assignments and also how they present their assignment to reflect the good service and quality desired by their organisations. Performance measures are related to effectiveness (how good, accurate or relevant the service delivery was to the customer), efficiency (how quickly you deliver), cost effectiveness and cost efficiency. Performance measures covering information relating to: Customers – new and cost; Resource – consumed, save or required; Finance – how efficiently and effectively tasks and activities are accomplished.

Some genuine aspects for measuring performance in relation to reward system include: annual growth in profits of a company; efficient and effective product and service spin-off and growth; rate of customer growth and retention annually; corporate expansion, opening of new branches and creation of subsidiaries; annual increase in the organisation’s market share; rate of employee turnover over a certain number of years.

Difference between Training and Development:

Training is the acquisition of knowledge and skills for present tasks which help the individual contribute to the organisation in their present positions. Training must give rise to a change in behaviour such as the use of new skill and knowledge on the job. Development, on the other hand, provides the employee with skills and knowledge that are intended to be used in the future. Training is used to give employees the job-specific experience, skills and knowledge with which they do their job or improve employee job performance (Eze, 2005).

Training is much more limited in aspects of scope and overall impact on the organisation. The contents of training programme can lose relevance quickly. It is a one-time event while development means the broadest view of knowledge and skills acquisition Development is typical and on-going. Training is a long-term process in which individual employee learning technical knowledge skill for a define purpose. Development is a long-term educational and theoretical knowledge for general purpose.

The Relationship between Training and Performance:

Performance refers to how the worker is able to effectively manage and present their tasks to reflect
their quality and quality service preferred by their organisation (Olanluyi & Lukas, 2008). It therefore follows that there is a direct relationship between staff training development and staff performance if the employee would be more trained or more developed, the employee would be more satisfied with the job, more committed to the job and the employee performance would also be enhanced. When staff performance increases, it will give rise to the organisation effectiveness (Cannathes, 2006). Sometimes, workers feel that training do not provide them with adequate knowledge in skills. The improper trainings can result into conflict between workers and their organisation and this would impact on the organisation performance and effectiveness (Sahinidis et al, 2002). Staff performance may be related to many factors within the organisation like management, knowledge and overall job satisfaction. Nigirwa (2009) identified key factors that can address problems related to performance in the organisation such as knowledge, innovation, satisfaction, and career orientation.

**Theoretical Framework for the Study:**

The theoretical foundation for the study is the system approach to training by Eckstran (1964). This approach is regarded suitable not only in term of the total organisation in which the individual will be performing his task but also training objectives and goals. The system theory was first developing in the engineering and biological sciences before it was employed by social scientists in explaining organisational and social features. Nwakwo (1988) adopted the system approach in his book titled “Education and training for public management in Nigeria”. Katz & Khan (1966) utilized the open system approach in studying “the social psychology of organisations” Easton (1965) used the approach in his study of political structure. The fundamental concepts involved in the system theory can be summarized as follow (Comma, 2008):

A system can be perceived as a whole with various paths and their independent relationships; A system has its boundary and can be viewed in terms of its relationship with other systems; Systems have sub-systems and are also part of a supra system; A system can be viewed as either open or closed. A system is seen as open if it exchanges information, energy or material within its environment as happens to social or biological system. It is viewed as closed if it does not have such interaction with the environment (Koontz & O’Donnell, 1980); A system interacts with its environment in terms of process that involves input, conversion and output of energy, information and material. A system seems to re-energy or modifies itself via the process of information feedback from its environment; another system moves to arrest the entropic process by importing more energy from its environment than expected in order to survive.

In the light of the general perspective of system theory, the system approach to training as propounded by Esklstrand (1964) is considered appropriate approach for this study. In the approach, the development of a training programme is linked to the development of a weapon system. In this aspect, the system engineer commences with an operational requirement; a precise statement of the objectives to be attained by the system. The systems engineer then works a backward from these objectives to produce an arrangement of sub-systems which when operated based on some operational plan, will fulfill the requirement. The design of a training system can proceed in the same manner. These are behaviours that can be attained by the training system. The job of the training designer then is to select the sequence or series of learning experience which will produce its desired behaviour. An evaluation phase is needed to assume that the training programme succeeds in producing individuals capable of performing as specified.

**Methodology:**

The study employed survey research design. Survey research was considered more appropriate for the study because of the need to establish impact of training and development on workers performance in the banking sector of Nigeria. The population of the study is defined to include all employees working in banks in Edo north. The target population is employees in 5 banks randomly selected in Edo north senatorial district. The five (5) banks were randomly selected to avoid general preference of bias in opinion. All the staffs in the banks were included in the study to allow for sufficient representation of the various view expressed. The study was restricted to a selected sample size of 30 respondents drawn from five banks in Edo north senatorial district of Nigeria. The banks were Zenith Bank Plc, Union Bank Plc, Eco Bank Plc, Fidelity Bank Plc, and United Bank of African Plc. The selection of the sample size of 30 respondents was purely purposive. The sample is made up of male and female employees who were professionally and academically qualified to perform their duties. They were also highly experienced on the job. The instrument used for data collection in this study was the questionnaire. The questionnaire contains items scored on a likert type rating scale of 0 — 4 where the respondents were requested to select the most appropriate option and to provide solutions for statistical analysis. Student t-test at 0.05 level of significance (95% confidence level) was used to test the hypotheses stated for the study. Data analysis was performed with the aid of statistical package for social science version 7.0.

To ascertain the validity of the instrument for the study, copies of the drafted questionnaire were given
to four experts in Department of Business Administration in the University of Benin, Benin-City, Edo State, Nigeria. These experts went through the research purpose, questions and questionnaire items, and made useful suggestions that led to some corrections in the final draft of the questionnaire. The reliability of the instrument was determined by using the test-retest procedure. On that note, a standardized sample of 50 copies of the questionnaire were first administered on the sample people in the area under study. There was an interval of 4 weeks between the first and the second administration of questionnaire.

Hypotheses Testing:

Hypothesis I:

H$_{01}$: There is no significant relationship between appropriate training/development and motivating staff to perform in banks.

Table 1: Relationship between appropriate training/development and employees performance in Banks

<table>
<thead>
<tr>
<th>Option</th>
<th>Paired Differences Mean</th>
<th>Std. Dev</th>
<th>Std error mean</th>
<th>t-cal</th>
<th>Df</th>
<th>Sig (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriate training/development and Employees performance in banks.</td>
<td>6.0000</td>
<td>4.18330</td>
<td>1.87083</td>
<td>3.207</td>
<td>4</td>
<td>.033</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2016

The analysis in table 1 revealed that there is evidence to reject the null hypothesis. This is because of the probability value (0.033) that is associated with t-calculated value (3.207) is less than the critical value at 5%. It is therefore concluded that there is a significant relationship between appropriate training development of staff and efficient performance of their functions.

Hypothesis II:

H$_{02}$: There is no significant relationship between training/development tailored toward job needs and motivation of staff to performance in banks.

Table 4.2: Relationship between training / development tailored towards job needs and motivation of staff to higher performance in banks

<table>
<thead>
<tr>
<th>Option</th>
<th>Paired Differences Mean</th>
<th>Std. Dev</th>
<th>Std error mean</th>
<th>t</th>
<th>Df</th>
<th>Sig (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training/development and motivation of staff to performance in banks</td>
<td>6.0000</td>
<td>4.47214</td>
<td>2.00000</td>
<td>4.000</td>
<td>4</td>
<td>.016</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2016

The analysis in the above table revealed that the probability value (0.016) associated with t-calculated value is less than 5% critical value. This implies that there is a significant relationship between training/development tailored toward job needs and motivation of staff to higher performance in banks.

Hypothesis III:

H$_{03}$: There is no significant relationship between training/development of staff and achievement of organisational goals in banks.

Table 3: Relationship between Training / Development of staff and Achievement of organisational goals in banks

<table>
<thead>
<tr>
<th>Paired Differences</th>
<th>Mean</th>
<th>Std. Dev</th>
<th>Std error mean</th>
<th>t</th>
<th>Df</th>
<th>Sig (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training/development and achievement of organisational goals in banks</td>
<td>3.509</td>
<td>4.025</td>
<td>0.25</td>
<td>40.4000</td>
<td>8.4335</td>
<td>72.3665</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2016

The table above indicates that since probability value (0.025) which is associated with t-calculated value (3.509) is less than the critical value at 5% there is evidence to reject the null hypothesis and accept alternative hypothesis. This means that there is a significant relationship between training/development and achievement of organisational goals.

Discussion of Findings:

Hypothesis one reveals that there is significant relationship between appropriate training/development of banking staff and efficient performance of their functions. This finding collaborate the observation of Egwu, Ugbomhe, Nancy, Omoahalen and Ogbe (2015) which contested that training is regarded to provide experience that help employees to perform efficiently in their present and future development. The observation was also admitted by Campathes (2006) which states that the employee would be more satisfied with the job, more committed to the job and the employee performance would be more increased if the employee would be trained or more developed.

Hypothesis two shows that there is significant relationship between training/development tailored towards job needs and motivation of staff to higher performance in banks. This result agrees with that of Derek and Laura (2000) which argued that new employees can be equipped with most of the knowledge, skills and attitudes required to start work which are capable of reducing organisational/employee conflict. The result of the hypothesis two also confirmed the observation of Hilgert and Dowl (1978) which states that staff training and development can motivate staff in their workplace. The result also agrees with French’s (1978) notion that
employees who know and understand the jobs and who feel that for future management values they are enough to prepare them for assignments and more likely to demonstrate higher morale and greater interest in the job.

Hypothesis three indicates that there is significant relationship between training/development and achievement of organisational goals in banks in Nigeria. This observation is in accordance with that of Eze (2005) which contends that training and development of employees is capable of enhancing the attainment of organisational goals. Thus, training/development links individual goals to that of organisational goals.

Conclusion:
In the modern economy, what is constantly changing is nature of work. New technologies also imply new work skills are constantly and morbidly needed. Undoubtedly, training and development has become integral part of organisations and cannot be divorced from a successful organisational life. Employees need to acquire and develop skills and knowledge if they are to experience flexibility and effectiveness in the job. Employees need to see visible signs of management’s commitment to their training and career needs if they are to believe that they are valued by the organisation they work for. The attention by the organisation in addition to increased expectation can give rise to a self-fulfilling prophecy of improved output by the employees. It is indicated that employee that receive regular scheduled feedback in training are no doubt have a level of worker output.

Recommendations:
Based on the conclusion of the study, the following recommendations are put forward:
1. Management of organisations should define an appropriate training and development programmes for each category of employees who need to be trained and develop.
2. Banks should clearly state the results for each staff, what change in staff skills, attitude, behaviour and knowledge. Management of banks must also clarify what is to change and to what extent.
3. Training objectives should be clear to both management and banks and staff because they can be used to assess their success.
4. Staff in the banking sector should be helped to grow into more responsibility by systematic training and development so that they will be confident enough to carry out the responsibility of the job.
5. Banks should provide performance feedback which will allow staff to be informed of changes to both their work goals and the overall goals of the organisation.
6. The banks should give their staff study leave with pay in order to upgrade their knowledge and skills outside what they experience at the bank.
7. The managements of banks should come up with training and development practices and policies for their organisation because they are the strategic link between the bank’s vision and its day-to-day operations.

References:


*****