

The Impact of Training and Development on Employees Performance and Productivity

A case study of United Bank Limited Peshawar City, KPK, Pakistan

Neelam Tahir

MS –Management Sciences Research Scholar at Abasyn University Peshawar
Email: neelamtahir554@gmail.com

Israr Khan Yousafzai

Lecture, Government College of Management Sciences, Peshawar
Email: israryousafzai2012@gmail.com

Dr. Shahid Jan

Assistant Professor
Department of Management Sciences, Abdul Wali Khan University, Mardan
Email: rahamkarya@gmail.com

Muhammad Hashim

Lecture Government College of Management Sciences, Peshawar
PhD (Management Sciences) Scholar at Preston University Islamabad, Pakistan
Email: mhashimpk@yahoo.com

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Abstract

This paper main objective was to investigate whether training and development has impact on employees' performance and productivity. This paper is quantitative in nature. Data for the paper have been collected through primary source that are from questionnaires surveys. The data have been checked through statistical software to find the impact of training and development on employees' performance and productivity. There were two variable Training and Development (Independent) and Employees' performance and productivity (Dependant). Eight united banks limited were selected for the study. Eighty questionnaires were distributed for the collection of data. Descriptive statistic tools SPSS were applied on the questionnaire to see the reliability and consistency. The goal was to see whether Training and Development has an impact on Employees Performance and Productivity. Data were analyzed and discussed.

The result showed that there was significant relationship between the variables, the Pearson correlation was used in study and Cronbach Alpha for each questionnaire was

obtained. Frequency distribution was used to see the individual result of the study. Relevant literatures were also studied about topics related to this research. Recommendation and conclusion form the last part of this paper.

Keywords: Training, Development, Employees, Performance and Productivity

Introduction

The main object of every organization is to improve its performance but it can never be possible without the efficient performance of employees. Therefore, the performance management system came into effect as a management reform to address and redress concerns, organizations had about performance (Sharif, 2002). In banks sector, a wide range of reforms that focus on the performance have also been implemented (Downs, Chadbourne, & Hogan, 2000; Gleeson & Husbands, 2001).

Performance refers to the accomplishment of something or mere working effectiveness. In an organization performance is realized at the levels of organization, process and individuals and the interrelationships among these will define the vantage points of the organization. In contributing to the overall goal of the organization, training and development processes are implemented as this benefits not just the organization but also the individuals making up that organization. For the organization, training and development leads to improve profitability while cultivating more positive attitudes toward profit orientation. For the individuals, training and development improve job knowledge while also helping in identifying with the goals of the organization. Training and development is defined as the planned learning experiences that teach employees how to perform current and future jobs.

At its core is the improvement in the performance of individuals participating in training and development activities. Learning is achieved through training and development therefore means to be translated as organizational resource by which the people acquire, infer and utilized. As such, performance contributes to the growth of the organization specifically since they can implement in combination competences and expertise acquired through training and development. Further, training and development and how it impacts the performance of the employees in the business setting have received a significant attention from the researchers.

Purpose of the study

The main purpose of this study was to investigate the impact of training and development on Employee Performance and Productivity in United Banks Limited (UBL)

Research Objectives

- To identify perceptions of the employees on how training and development proved to be beneficial to them;
- To identify employees' competency levels as enhanced by the training and development implemented;
- To examine how training and development contribute to the individual performance and productivity;

Scope and Limitations of the Study

The study is limited on the elements of human resource management, particularly in the area of training and development. This study was carried out in United Banks limited at Peshawar region. There are 27 banks at region Peshawar. Thirty percent banks were selected for data collection. It means that 8 banks were selected randomly. Eighty questionnaires were

distributed among these eight branches of UBL i.e ten questionnaires in each branch. In these eighty questionnaires 76 were returned

Literature Review

Training and development

Training and Development basically deals with the acquisition of understanding, know-how, techniques and practices. In fact, training and development is one of the imperatives of human resource management as it can improve performance at individual, collegial and organizational levels. As the process of 'increasing one's capacity to take action, organizations are now increasingly becoming particular with organizational learning and therefore collective development. Organizational learning, on the other hand, refers to the "efficient procedure to process, interpret and respond to both internal and external information of a predominantly explicit nature. According to Easterby-Smith (1999), the emergence of the concept of organizational learning is central on the hitherto idea that prior advocacies of learning are tended to its commercial significance and are lacking of empirical information on learning processes.

Strategically, organizational learning, which makes use of training and development as one of the several responses, deals with the acquisition of understanding, know-how, techniques and practices. These intellectual intangibles can be translated into an organizational resource through the people that acquire, infer and utilize such towards the achievement of the organization-wide training and development (Armstrong, 2006). Training and development are planned learning experiences which teach employees how to perform current and future jobs more effectively. Sims (2002) emphasizes that training focuses on present jobs while development prepares employees for possible future jobs. Basically, the objective of training and development is to contribute to the organization's overall goal.

Closing the skills gap is now a critical area of human resource development for organizations to continuously penetrate the market. Skills gap basically threatens the productivity and competitiveness both in organizational and operational levels. This requires that human resource management professionals should start the cultivation of the workforce from the recruitment period. However, this is not easy considering that there are specific works which require customization of skills and that not all newly hired employees acquire social skills aside from the basic skills. In responding to the challenges of the skills gap and skills deficiency, HR professionals have to develop programs that will address the problem (Sims, 2006).

Building the organization hence is an imperative for the existence and survival of modern organizations. Consistently, companies are investing on their internal customers or employees thus taking advantage of the human capital management. Sense of ownership is also important, requiring HR professionals to develop strategies that will ensure superior knowledge, skills and experience to settle within the workforce. Learning activities shall put skills enhancement and development assignments at its core as well as empowerment and career development. This is lifelong learning which guide the organizations particularly human resource department to make an ongoing investment with organizational members and help them build their competencies (Sims, 2006).

The purposes of learning from the employee perspective are basically to acquire skills and knowledge to do the job and to gain promotion and advance career. In facilitating career changes, training and development also caters for the personal and professional developments

of the employees. Learning can be defined as knowledge obtained by self-directed study, experience, or both; the art of acquiring knowledge, skills, competencies, attitudes, and ideas retained and used; or a change of behavior through experience (Maycunich 2000). Senge (1990) believes that learning has little to do with taking in information; rather it is a process that enhances capacity. Learning is about building the capacity to create that which one previously could not create.

Regardless of individual differences and whether a trainee is learning a new skill of acquiring knowledge of a given topic, the person should be given opportunity to practice what is being taught. Practice is also essential after the individual has been successfully trained (Sims 1990). There are two aspects of practice – active practice and over learning. Active learning allows the trainees to perform the task repeatedly or use the knowledge being learned. Over learning occurs when trainees are given the opportunity to practice far beyond the point where the task becomes ‘second nature’ and is said to be ‘over learned’. The fifth and most important of all which will give life to other four is application because training is useless unless learning can be applied.

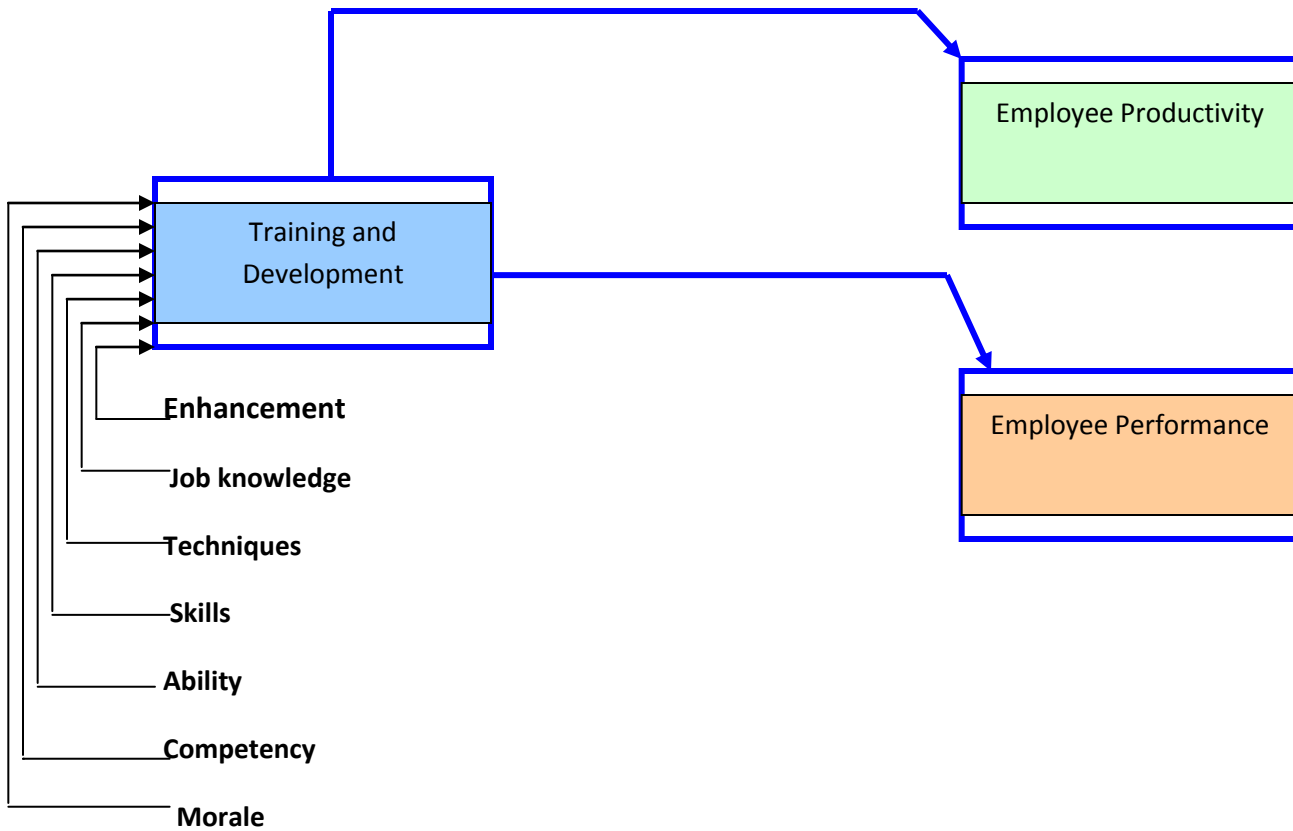
Thereby, training and development is beneficial not just for the organization itself but also to the individual employees. On the one hand, training and development leads to improved profitability and/or more positive attitudes toward profit orientation, improves the job knowledge and skills at all levels of the organization, improves the morale of the workforce and helps the employees identify with organizational goals (Sims, 1990). On the other, training and development benefits individual employees through helping them make better decisions and effective problem solving, assisting in encouraging and achieving self-development and self-confidence, helping an employee a person handle stress, tension, frustration, and conflict, increasing job satisfaction and recognition and moving the person toward personal goals while improving interaction skills (Sims, 1990).

Research Methodology

This study used quantitative approach. Questionnaires were used as the survey instrument. The Quantitative research is that which tries to find answer to a question through analysis of quantitative data, i.e., the data shown in figures and numbers ((Taylor, 1998). Patton (2002) has argued that a qualitative research methodology can help researchers approach fieldwork without being constrained by any predetermined categories of analysis.

Moreover Gay, Mills and Airasian (2009) explained that the strength of quantitative research is the opportunities that it provides researchers to interact and gather data directly from their research participants to understand a phenomenon from their perspectives. On the other hand, qualitative research carries the uniqueness because it does not give conclusion in advance. It is often regarded as a scientific methodology of management sciences research (Taylor, 1998).

Theoretical framework of the study



Developed by Muhammad Hashim

Sample Size of the study

Population means the totality of individuals from which some sample is drawn. (Ostle, 1963).The population of this study was consisting of 8 United Banks Limited in region Peshawar.

The population was spread over the whole region of Peshawar; therefore eight banks were selected for the research study. To achieve the objectives of the research 80 questionnaires were distributed among the employees of these eight branches of UBL i.e. ten questionnaires at each banks in region Peshawar. In response 76 questionnaires were returned. The response rate was 95%. The questionnaire was designed on Likert 5 Rating Scale (1=Strongly Disagree, 2= Disagree, 3=Neutral, 4= Agree and 5=Strongly Agree). To test the impact of the variables the data were analyzed through SPSS.

Data Collection

The required information for the study was collected through questionnaire. The questionnaire used to allow the response of the respondents in a standard way, unbiased

approach and objective oriented. The use of questionnaire provides the information to be presented in a numeric way. Questionnaire method also has several limitations, for example lackadaisical attitude of respondents, non-attendance and lack of cooperation.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.690 ^a	.476	.376	7.42476
a. Predictors: (Constant),				

Descriptive

	Minimum	Maximum	Mean	Std. Deviation	Variance
Employees enhancement come through Training & Development	1.00	6.00	4.4737	.84022	.706
Training and Development brings positive attitude in employees	2.00	6.00	4.5789	.71672	.514
With training and development job knowledge increase in employees.	2.00	6.00	4.4605	.82366	.678
Training and development teach the technique of performing a job to employees	1.00	6.00	4.4342	.88447	.782
Training and development enhance the skills of job of employees	1.00	6.00	4.3289	.85461	.730
Most of the employees consider training and development vital for job	1.00	6.00	4.1711	.85461	.730
Most of the employers consider training and development waste of time and waste of money	1.00	5.00	1.7632	.93621	.876
Most of the employers give training to their employees	1.00	5.00	3.6579	.97369	.948
Training and development is essential for banks employees	1.00	5.00	4.4079	.85131	.725

Competency level of employees increases due to T&D	2.00	5.00	4.3947	.78450	.615
Training and development boost up the morale of the employees	2.00	5.00	4.3289	.82281	.677
Training and development reduce the stress of the employees	1.00	5.00	4.0658	1.0371 2	1.076
Skilled employees performance and productivity is more than the unskilled employees	1.00	5.00	4.3421	.80916	.655
Performance and productivity increase due to the ability of the employees	2.00	5.00	4.3421	.72208	.521
Performance and productivity increase due to the enhanced competency of the employees	2.00	5.00	4.1711	.70025	.490
High morale employees give better performance	1.00	5.00	4.3289	.85461	.730
Performance and productivity increase due to the job knowledge	1.00	45.00	4.7500	4.7472 8	22.537
Performance and productivity increase due to the technique of job	2.00	5.00	4.0132	.88684	.786
Performance and productivity increase due to the positive attitude of employees	2.00	5.00	4.2895	.84563	.715
Performance and productivity greatly depend on T&D	2.00	5.00	4.1711	.80644	.650
T&D enhance the performance and productivity of the employees as well as of the organization	2.00	5.00	4.1842	.85962	.739
T&D reduce consumption of time and cost and increase performance and productivity	1.00	5.00	4.0000	.93808	.880
Dep	16.00	88.00	43.131 6	9.4011 9	88.382

Valid N (listwise)					
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Regression

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3155.679	12	262.973	4.770	.000 ^b
	Residual	3473.005	63	55.127		
	Total	6628.684	75			
a. Dependent Variable: dep						
b. Predictors: (Constant),						

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-7.256	8.986		-.808	.422
	Employees enhancement come through Training & Development	3.049	2.142	.273	1.424	.160
	Training and Development brings positive attitude in employees	.643	2.179	.049	.295	.769
	With training and development job knowledge increase in employees.	.382	1.561	.034	.245	.807
	Training and development teach the technique of performing a job to employees	-1.624	2.015	-.153	-.806	.423
	Training and development enhance the skills of job of employees	1.454	1.759	.132	.826	.412

Most of the employees consider training and development vital for job	.226	1.877	.021	.120	.905
Most of the employers consider training and development waste of time and waste of money	.150	1.151	.015	.130	.897
Most of the employers give training to their employees	2.536	1.110	.263	2.284	.026
Training and development is essential for banks employees	.048	1.394	.004	.034	.973
Competency level of employees increases due to T&D	1.798	1.561	.150	1.152	.254
Training and development boost up the morale of the employees	1.791	1.512	.157	1.185	.241
Training and development reduce the stress of the employees	1.636	1.369	.180	1.195	.236

a. Dependent Variable: dep

	Mean	Std. Deviation
Employees enhancement come through Training & Development	4.4737	.84022
Training and Development brings positive attitude in employees	4.5789	.71672
With training and development job knowledge increase in employees.	4.4605	.82366
Training and development teach the technique of performing a job to employees	4.4342	.88447

Training and development enhance the skills of job of employees	4.3289	.85461
Most of the employees consider training and development vital for job	4.1711	.85461
Most of the employers consider training and development waste of time and waste of money	1.7632	.93621
Most of the employers give training to their employees	3.6579	.97369
Training and development is essential for banks employees	4.4079	.85131
Competency level of employees increases due to T&D	4.3947	.78450
Training and development boost up the morale of the employees	4.3289	.82281
Training and development reduce the stress of the employees	4.0658	1.03712

	Mean	Std. Deviation
Skilled employees performance and productivity is more than the unskilled employees	4.3421	.80916
Performance and productivity increase due to the ability of the employees	4.3421	.72208
Performance and productivity increase due to the enhanced competency of the employees	4.1711	.70025
High morale employees give better performance	4.3289	.85461
Performance and productivity increase due to the job knowledge	5.2895	6.62081

Performance and productivity increase due to the technique of job	4.0132	.88684
Performance and productivity increase due to the positive attitude of employees	4.2895	.84563
Performance and productivity greatly depend on T&D	4.1711	.80644
T&D enhance the performance and productivity of the employees as well as of the organization	4.1842	.85962
T&D reduce consumption of time and cost and increase performance and productivity	4.0000	.93808

Discussion

Level of Significance

The tables demonstrate the result produced by linear regression on the data collected from 76 respondents through questionnaires. After applying the linear regression on the collected data to check the cause and effect relationship between the Training and Development (independent variable) and Employees Performance and Productivity (dependent variable) the above mentioned result has been drawn.

The probability of f-statistic shows the significance of the research. According to the standard if the p value is < 0.05 so than it is significant. In this study the above given table demonstrates the p value is 0.000 which is < 0.05 thus the model of the research is statistically significant. So the independent variable of the study, Training and Development, has significant relationship with dependant variable of the study, Employees' Performance and productivity.

The un-standardized value of the mentioned table illustrates obviously that independent variable Training and Development has a positive impact on Employees Performance and Productivity in this study.

Limitations

One major limitation of this study was that it was based only on UBL (United Banks Limited) and other banks were not included. Another limitation was that due to the time constraint only UBL of Peshawar region were studied other branch of UBL in the district were not included

Conclusion

As the increase of concentration on administrative management during these years, HRM plays a more important role in managing an organization, such as the effects of HRM on innovation, 'new way of working principles 'for working relations and enhancing employees' capability. Training and Development is an important aspect of HRM. It is important for organization to get skilled and capable employees for better performance, and employees will be than competent when they have the knowledge and skill of doing the task. Training and Development would provide opportunities to the employees to make a better career life and get better position in organization. In doing so, organizations efficiency would be increased. On the other hand, employees are the resources and assets of an organization if they are skilled

and trained would perform better than those who are unskilled and untrained. Therefore, the purpose of this study was to find out the relationship between Training and Development and Employees' performance and Productivity.

Recommendations

This study contributes to the body of research on Training and Development in UBL in region Peshawar. There is a lot of research on Training and Development, but these studies have mainly taken place in western countries. This study contributes to a small but developing research literature on the Training and Development in region Peshawar Findings of the study indicated that employees working in UBL in region Peshawar considered the Training and Development as a main factor of employees' performance and Productivity and were in favor of it. This study revealed that banks' administrations interested in their productivity and efficiency is left with no other option than to adopt Training and Development.

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