

EFFECTIVENESS OF TRAINING AND DEVELOPMENT ON EMPLOYEES' PERFORMANCE AND ORGANISATION COMPETITIVENESS IN THE NIGERIAN BANKING INDUSTRY

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Abstract: *Training and development is indispensable strategic tool for enhancing employee performance and organizations keep increasing training budget on yearly basis with believe that it will earn them competitive edge. The main objective of this study is to examine the effectiveness of training and development on employees' performance and organisation competitive advantage in the Nigerian banking industry. Descriptive research method was adopted for this study using two hundred and twenty three valid questionnaires which were completed by selected banks in Lagos State, South-West Nigeria using simple random sampling technique. The data collected were carefully analyzed using descriptive statistics to represent the raw data in a meaningful manner. The results show that strong relationship exists between training and development, employees' performance and competitive advantage. Summary of the findings indicates that there is strong relationship between the tested dependent variable and independent construct. However, bank management should not relent in their quest to train their staff to develop new ideas that will keep improving and retaining employee performance.*

Key words: *training, development, performance, competitiveness.*

1. Introduction

The survival of any organization in the competitive society lies in its ability to train its human resource to be creative, innovative, inventive who will invariably enhance performance and increase competitive advantage [17], [31], [46]. Training and development is an aspect of human resource practices that help in enhancing employees' skills, knowledge,

and competence capable of improving employees' ability to perform more efficiently [39]. Training and development play a vital role in the effectiveness of an organisation [21]. It is one of the most pervasive techniques for improving employees' performance enhancing organisation productivity in the work place [22]. Employees are the indispensable asset and key element of gaining competitive advantage of any organization

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and training is essential tool for its actualization [23]. The level of competency, skills and ability of the workforces of an organization influences its ability to preserve its obtained positions gain competitive advantage [3, 23]. Meanwhile, employees competence, skills and pro-activeness is directly proportional to the level at which organization can compete with others. Organizations are confronting with increased competition resulting from changes in technology, economic environments, globalization etc. [18]. As it could be inferred from above that not much research has been conducted on the relationship between all of these constructs. In this regard, this study aimed to contribute to the existing knowledge particularly in the sphere of capacity development. It is to this end that this paper seeks to critically examine the effectiveness of training and development on employees' performance and organisation competitiveness. The significance of this work stemmed from its objectives as follows: (i) Examine how on the job training and development affect employees performance; (ii) Analyze the effectiveness of cognitive training methods on employees' proficiency; (iii) Evaluate the impact of behavioural training techniques on employees productivity; and (iv) Analyze the benefits of training methods on organizational performance.

1.2. The Significance of the Study

Training becomes inevitable the moment an organization realizes the need for improvement and expansion in the job. But often times, organizations embark on job enlargement and enrichment to promote employees' morale, motivation and satisfaction when in the fact the real problem with work performance lies in

capacity development. The study becomes necessary because many organizations in this contemporary world are striving to gain competitive edge and there is no way this can be achieved without increasing employees' competencies, capabilities, skills etc through adequate training designs. However, the study results will help the management to identify the challenges effects of employees' training on organizational performance, hence determine the areas where improvements through training can be done. It will also help the management in planning for the development and implementation of effective and efficient training needs that will lead to increased performance of the banks.

2. Literature Review

2.1. Training and Development

Training and development are indispensable strategic tools for effective individual and organisation performance, thus, organisation are spending money on it with confidence that it will earn them a competitive advantage in the world of business [31], [17], [48], [7] However, for any organisation to achieve its stated goals and objective in this competitive world, adequate and relevance training and development of staff cannot be over emphasized. Organisation are expected to identify training need of its employees and design training programmes that will help to optimally utilize their workforce towards actualization of organisation objective [27]. Training and development is a techniques use to transfer to the employees relevant skills, knowledge and competence to improve employees performance on current jobs and future assignment [26], [35], [41]. It is not negotiable for organisations to adequately train their employees for efficient and

optimal performance toward the realization of their set goals and objectives [4]. Employees' training and development is a strategic determination to facilitate learning of the job related knowledge, skills, ability and behavior that are crucial for efficient performance capable of enhancing organizational effectiveness [38]. Training is requisite to enhancing workers capability, reasoning faculty and competence [31] which will improve organizational performance [8] and as well help in gaining competitive edge [3]. Training and development increases employees' efficiencies, innovation, invention, capacity to accept new technologies and techniques [35]. It is important to note that organizations must be able to identify the needs for training and development and select techniques suitable for these needs, plan how to implement them and thereafter evaluate outcome [33].

2.2. Related Theories of Employee Training and Development

There have been various theories propounded to explain the relevance of training needs in any establishment of organization. In social learning theory, employees acquire new skills and knowledge by observing other members of staff whom they have confidence in and as well believe to be credible and more knowledgeable [10], [34]. The theory posited that training and learning is influenced by persons self-efficacy and his ability to successfully learn new skills which can be influenced by encouragement, oral persuasion, logical confirmation, observation of others [28]. Reinforcement theory believed that training is a strategic tool to make job interesting to the workers and as the avenue for the employees to improve themselves for optimal performance which can culminating to promoting employees

for outstanding performance, innovation, creativity as a result of training attended [2]. The resource-based view (RBV) of the firm advocated that an organisation can gain competitive advantage by attracting and retaining competent human resources and as well identify relevant training for them that will keep improving their capacity for optimal performance. By implications, the effectiveness of training and learning depends on the pattern of the job related knowledge, skills, capability, competencies and behavior that are important for greater performance which invariably be capable of influencing organizational success.

Hypotheses: training and development Training techniques are classified into behavioral or On-the-job (orientations, job instruction training, apprenticeships, internships and assistantships, job rotation and coaching) and cognitive or Off-the-job (Lectures, computer-based training, games and simulations etc. [36] These tend to influence employees' performance and organizational competitiveness; therefore we propose: H₁: Behavioral training techniques have no significant effect on employee performance and organizational effectiveness; H₂: There is negative impact of cognitive training techniques on employees' optimal performance.

2.3. Research Model

This study will give attention to the effectiveness of training and development on Employees' Performance and organizational competitiveness in some selected banks in Lagos. However as obtained in the literature reviewed above, we proposed the following model depicted in figure 1.

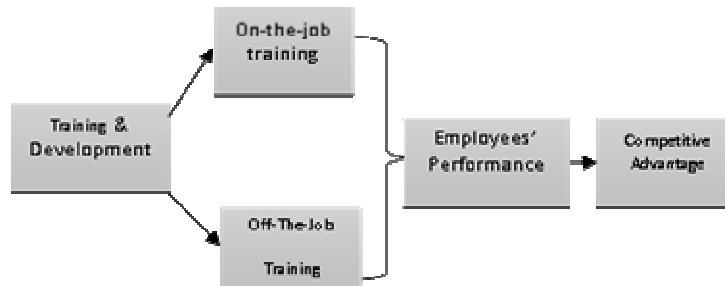


Fig. 1. *Proposed Study Model*

3. Research Methodology

The empirical data for the study were collected through a well-structured questionnaire, which was prepared and distributed among the members of staff in selected banks in Lagos State, South-West Nigeria. The reason for the choice of location for the study is because it plays host to the headquarters of most of the banks. Effectiveness of training and development was measured using a 16-item instrument which was divided into Sections A and B. Section A consisted of 6 items which was used to gatherer bio data information from the respondents such as their age, sex, marital status, education background, position, working experience; Section B consisted of 10 items regarding the constructs of the subject matter. Five-point Likert scale (5-Strongly Agreed, 4-Agree, 3-Undecided, 2-Strongly Disagree, 1-Disagree) that best describes the extent to which the respondents agree with each items in the questionnaire was used. Descriptive methods of analysis were used to analyze the data. A total of 250 copies of questionnaires were administered within the scope of selected location, having sorted the returned questionnaires, only 223 copies of questionnaires representing 89.2% were validly used while 27 copies

(10.8%) were either discarded due to improper filling or unreturned. The study tends to add to the existing study on Human Resource issues and organizational competitive advantage.

4. Result & Discussion

The demographic characteristics of the respondents indicate that 117(52.5%) of the sample size was male while 106(47.5%) were female, which implies that the population of male respondent is higher than female. Meanwhile, 177(79.4%) (Cumulative) of the respondents were within an economically active population. Moreover, 103(46.3%) of the respondents were married, while 117(52.5%) were single and 5(2%) were either divorced or separated, though the reason for their present marital status could not be ascertained as at the time of documenting this report. Regarding the years of work experience; 97(43.5%) of the respondents had worked between 1 and 9 years; while 88(39.5%) have put in between 10-19 years; 38(17%) have spent 20 years and above.

Hypotheses Testing

The skewness and kurtosis are of primary important because they are

indicative of extent to which variables are not normally distributed. Kline, 1998 posited that skewness above 3.0 and kurtosis above 10 indicates serious departures from normality in a distribution. With this criterion, none of the variables posed any problem of normality. However, from Table 1, induction and orientation is effective in equipping employees with the practice and core value of the organisation and what is expected of them to do (Mean = 4.2197). In addition, most of the respondents agreed that

mentoring plays a significant role in training employees for better performance (Mean = 4.1166). Meanwhile it was also discovered that Coaching is a strategic methods of getting the best out of the employees (Mean of= 3.9148). While Apprentice and Job rotation enhance employee performance (Mean = 4.1883, 3.9686) respectively. Therefore, it would be concluded that behavioral training techniques have significant effect on employee performance and organizational effectiveness.

Table 1

Descriptive statistics of respondents on effectiveness of behavioral training techniques

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Induction and Orientation	223	4.2197	.81161	-1.545	.163	3.720	.324
Mentoring	223	4.1166	.92748	-.918	.163	.346	.324
Coaching	223	3.9148	.92848	-.715	.163	.083	.324
Apprentice	223	4.1883	.82770	-.845	.163	.418	.324
Job Rotation	223	3.9686	1.06285	-1.005	.163	.398	.324
Valid N (listwise)	223						

Further to Table 2, majority of the respondents were of the opinion that professional; training improves employees skills and competencies (Mean = 4.3139).

In addition, most of the respondents believe that the computer based training is the most effective off-the-job training techniques to train employees to gain competitive advantage. (Mean = 4.5785).

Table 2

Descriptive statistics of respondents on effectiveness of cognitive training techniques

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Professional Course/Training	223	4.3139	.83835	-1.248	.163	1.107	.324
Lecture	223	3.7399	1.17196	-.548	.163	-.967	.324
Role Playing	223	3.8206	1.07976	-.742	.163	-.234	.324
Computer Based Training	223	4.5785	.61650	-1.641	.163	3.634	.324
Game and Simulation	223	3.9552	1.13414	-.884	.163	-.312	.324
Valid N (listwise)	223						

However, it was also discovered that Lecture, role playing and game and simulation can also wilding the employees reasoning and be innovative (Mean = 3.7399, 3.8206 and 3.9552 respectively). Therefore, it would be concluded that cognitive training techniques have significant effect on employees' optimal performance and creativity.

The results in table 3 indicate that both behavioral and cognitive training techniques enhances employees' capacity (Mean=4.4170) enrich employees efficacy (Mean= 4.4619) promote innovation and creativity for competitive advantage (Mean = 4.3857) and it developed employees skills and knowledge for optimal performance (Mean = 4.4350).

Table 3

Descriptive statistics of respondents on Impact of behavioral and cognitive training techniques on effectiveness

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Enhance Employee capacity	223	4.4170	.78331	-1.906	.163	5.249	.324
Enrich Employees' Efficiency	223	4.4619	.72107	-1.684	.163	4.316	.324
Promote Innovation and creativity for Competitive Advantage	223	4.3857	.77933	-1.486	.163	2.900	.324
Develop Employees' Skills and Knowledge	223	4.4350	.67386	-.964	.163	.494	.324
Improves organisation performance	223	4.1211	1.06908	-1.248	.163	.959	.324
Valid N (listwise)	223						

Managerial Implications

In the modern and complex business environment, employee training and development is one of the reliable source of competitive advantage to compete with the changing and competitive business world. Training and development is beneficial to employees in particular and the organisation in general. This research work will help organization to understand the importance of training and development. It will also help organization to understand which factors are important to keep in mind during the training and how a good training can be

delivered to their employees. It will help them to understand that it is very necessary for them to give training to their employees so that they could perform the assign task in a better way. Above all, it becomes imperative to state that without training, there will be no development. Therefore, for every organization to survive, training must be seen by management as "a means to an end".

5. Conclusion/Recommendations

Training is importation for the survival of any organisation. It is also imperative for effective performance of employees, enhancement of employees' ability to

adapt to the changing and challenging business environment and technology for better performance, increase employees' knowledge to develop creative and problem solving skills.

Meanwhile, all the relationships proposed among the variables in the research model were tested and it was found that relationship exists amongst the variables having subjected the collected data to empirical analysis with the use of descriptive statistics. However, the results of the findings indicated that training and development affects employees' performance and organizational effectiveness, which implies that effort must be made to ensure that employees' skills and knowledge are fully underutilized through adequate and timely training design and implementation. The overall result showed that proposed hypotheses tested were accepted. It is therefore recommended that Individual should be more proactive and seek to be more creative and innovative to contribute their quota through their profession and skill. Employers of labour and decision makers should endeavour to create enabling training environment and favorable training policies that will give every worker opportunity to attend training. Management should also take into consideration the training need of each workers and act as appropriate.

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