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## **Impact of Training and Development on Employee Performance: A Case of Banking Sector of Pakistan**

**Sidra Shakeel**

Student, Jinnah University for Women, Pakistan

**Samreen Lodhi**

Lecturer, Department of Business Administration, Jinnah University for Women, Pakistan

### ***Abstract:***

*This study's major objective was to examine the impact of training and development on employee's performance. Employees are main resource of the whole organization. Employees play the key role in an organization. The achievement of organization success depends on employee performance. Training is one of most essential tool of HRM to enhance employee's productivity and efficiency. This study is quantitative in nature. This research analyzed the four hypotheses, by using the sampling techniques in which I was selecting 200 employees of bank sector of Karachi, Pakistan. For examining the data I applied correlation and regression test on SPSS software. Descriptive statistics technique SPSS were applied on the questionnaire to examine the accuracy and authenticity of data. The data collected through primary source that are from questionnaires and surveys. The finding proves that: There is a positive link between training/development and employee performance. The study suggests that organizations should arrange training programs to their employees as a regular activity and develop their skills.*

### **1. Introduction**

Today, in business environment the awareness of Training and development is increases as compared to previous time. T&D helps the employees in their life by facing difficulties and problems with their suitable solution. It helps to increase the efficiency or confidence level in employees. Training and development have become the most essential aspect in the business world, because training enhance the productivity and the efficiency of employees .Training is purposed to develop or better the employees' behavior in the workplace so as to encourage talent. The main purpose of training is to boost the organization accomplish its short and long term objectives by adding value to its human capital. Training is always a vital and necessary part in promoting many kinds of learning and development of employees. Training plays an important role in the development of employee's performance. It gives awareness to employees about smartly achieve the organizational goal.

Training is the process of raising the skills and knowledge for performing a particular job. The scope of training is firstly to overpass the gap between requirements of the job and current qualification of an employee. Training is directed to increase the behavior and performance of employees and also it is a never closing or continued process. Training is important for employees because organizational profitability base on the good performance of employees. Employee's performance best at that time they were properly trained. They give best performance so organizations provide rewards to their personnel in order to try to motivate their performance and encourage their loyalty. Employee is examined as the dominant aspect of the whole firm and their success and failure essentially based on their performance. The major purpose of the research is to determine the effects of Training and Development on Employees Performance in the banking sector of Pakistan.

#### ***1.1. Problem Statement***

This research done to find out the need for best directing the impact of T&D on the performance of employees. This research problem statement is to understand the relationship between employee's performance T&D and the influence of different factors on the employee performance. How the employee's performance is being influenced by T&D?

#### ***1.2. Significance of the Study***

The significance of this study is that it will provide benefit to the organization in understanding the importance of employee performance in recent years. It will help the banks know about the aspect that play vital role in employee performance and it will also help in perceptive the relation between the employees' performance and the success of an organization.

### 1.3. Objectives of the Study

The main objective of this research is to analyze the impact of the schedule of Training and Development on employee performance in select banking sector.

1. To understand the different factors that influence employee performance.
2. To explore the impact of employee loyalty on organization success.
3. To learn how training helps the employees to enhance skills, knowledge and attitude.

### 1.4. Significance of the Study

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### 1.5. Limitation of Study

The variable of this study includes organization profitability, employee turnover, employee loyalty there are also other factors in which this study work but due to the shortage of time and limited resources this study work in only these variables. The study targets only the banking due to the short span of time.

### 1.6. Scope of Study

The scope of the study is to find the impact of T&D on employee's performance. This study will help the students in near future. They can easily collect facts and figures from the research paper.

## 2. Literature Review

(Raja Abdul Ghafoor Khan, 2011) This research was conducted on banking sector of Pakistan. In this research these four (Training and Development, On the Job Training, Training Design and Delivery style) are most valuable aspects in organizational studies. The important point of this research is to understand the affect of T&D. The back bone of this research is to emphasize upon comprehensive literature review. The main resource and backbone of any organization is HR (employees). All Hypotheses shows important effect on organizational performance. And due to T&D the performance of employees and organization also improve. The outcomes of hypotheses are fully based on the literature review. To provide trainings, or on the job trainings the performance of employees increased. And due to good performance organization get success and efficiently achieve organizational goals and objective and also save cost & time. It means due to T&D overall organizational performance increased.

(Placeholder1) (Raza, 2014) This research was conducted from Oil and Gas Sector of Pakistan. The study's motive is to searching the relation between strategies and its impact. The regression analysis was done in this case. Through T&D the majority of the employees feels satisfied and also improves the skills of employees. The main point of that study is to promote the career and job skills in the line management. The research tell the position of T&D in Pakistan. The employee's strategy plays a vital role in development of an organization. Firms adopt the strategic T&D the skilled and better the performance of employees. This study to increase the skills of employee's. And skilled employee achieves the organizational goal. Their grooming is considered as asset for the firm.

(Neelam Tahir, 2014) This research was conducted from United Bank Limited Peshawar City, KPK, and Pakistan. This paper main motive is to investigate the fact that training and development has an important impact on employee or not. In this case research on did that if T&D effect on the performance of employees. This case is quantitative in nature. And data collected through Questionnaire survey. SPSS were applied this study has a great impact on innovations of HRM. In any organization HRM play an important role for managing every work. Hence, development has an important effect on skilled and capable employees for effective performance. T&D will give the benefit to employees to build up great career and accomplish great positions in organization. Trained employees doing better work as compare to those who will not trained. By all this organizations' efficiency would be increased. The motive of this study is to know the relationship between training and development and employee's performance and productivity.

(Niazi, 2011) This research was conducted the FMCG industry at global level. The development strategy highlight on planning, designing, implementing and evaluating the program of training. This measurable performance result is to increase performance of organization. Mostly companies can't fulfill employee's demands with the connection of T&D. There is not providing proper T&D in many companies so employees not perform well or there is much difference between skilled or unskilled employees. So develop training institutions programs. Due to that program employees improve their skills or doing work more effectively. Hence T&D cannot be disconnected from each other. This is the area that elaborates the relationship between training activities and organizational performance.

(Uzma Hafeez, 2015) This research is done by Pharmaceutical Companies. This research says that employees are the every organization asset and employees are the main factor of any organization progress. The above management knows that they spend the expense in training and get advantage performance of employees is improved. Concern on different areas the performance of employees is improved, work in team, give motivation, and give training about new technologies. The study shows a positive relationship with T&D. Those employees who done the jobs and get a successful career life they wants that their performance or skills improve or they done a great job. So organization gave trainings to those employees or built skilled and motivated employees that directed to a superior performance. Thus, training still cannot be discarded from the industry because its the most essential factor for the development of any organization.

The research study by (GAMAGE & IMBULANA, 2013). The research was conducted from Srilanka Telecom (Call Center Customer Care Officers). The motive of this study is to measure the impact of T&D on the performance of employees. The main purpose of T&D is to improve the employee skills or employees get more knowledge and also improve their performance. Determine the performance level through improvement in productivity, Absenteeism and employee satisfaction. This study investigates the benefits of T&D. T&D contributes to improved team work, improve positive attitude and efficient disciplinary work force. The training can be applied almost every. The reason to gave the training in call centers is that they first meeting point for the costumers and to enhance the mental condition of employee and aware about new technologies. The measurable investigation of the study uncovered that that there is a critical positive relationship between Training & Development and the representative profitability, a noteworthiness negative relationship between Training & Development and the worker Absenteeism. There is a relationship in regards to preparing & improvement and impact of representative promptness of participation or the effect of the Absenteeism accomplishing through the preparation & advancement concept. A basic arbitrary example is an example of 226 workers drawn from a populace of size 450 representatives of the Call Focus division client care range in a manner that example estimate 226 has the same shot of being chosen. The factual examination of the study uncovered that that there is a huge positive relationship between T&D and the representative efficiency, a criticalness negative relationship between Training & Development and the representative Absenteeism. Despite the fact that there are number of examinations completed on this subject, there wasn't a study completed to see the centrality on the Customer Care officers in the field of Telecommunication

The research study by (Vivian Febriani Derek, 2014). The destinations of this exploration are to dissect the impact of Training and Development on Organizational Performance at PT. Bank Tabungan Negara Tbk, Manado. HR is the backbone of any organization. So the implementing purpose of T&D is employees improve their skill and face different challenges or compete others. For PT. Bank Tabungan Negara Tbk, Manado in the administrative part ought to think about the Influence of Training and Development on Organizational Performance so that through this exploration the organization can get more data about the reality which happens and organization may enhance the human asset hone particularly in preparing and improvement. Training Design, On the Job Training, and Delivery Style has significant influence on Organizational Performance in PT. Bank Tabungan Negara Tbk, Manado partially.

The research delivered by (Sultana, 2013). In this research focus on importance of training, training practice and what the impact of training on employees. In any organization employees play an important role. HRM is the important tool of training. She investigates in this research the increasing learning of training. She declares in this research that training play an important role to increase the performance and productivity of employee and also increase the efficiency of employees. Employee's is an important resource of any organization. For the success and failure of any organization is depends on the performance of employee. What's more, the achievement and disappointment of an association greatly relies on upon the execution and profitability of the representatives.

(Ekta Srivastava, 2014) The research study has confirmed by private or public sector of bank. Training is important in the environment. This study is depend upon primary data, and collected data through Qnaire, and the annual report s of bank gather secondary data collected. Banks gives preparing like Induction preparing, Credit, Risk administration, CBS-IT, IS-Audit, Recovery, Accounts, Foreign Exchange and so on to their workers to enhance their execution. Private sector bank trainings are better than public sector banks. Researchers choose one open area bank and one private segment bank looks at preparing routines, mentors, new systems. Researchers concentrates on five years yearly report of banks, analyzes Profit per representative of Syndicate Bank versus Axis Bank. Open division banks need to enhance their preparation so that exhibitions of representatives are enhanced and benefit of bank increments. From the above examination researchers reach conclusion that preparation of private division banks is superior to anything open segment banks.

The research study by (Robert Ng'ang'a, 2013). The discoveries set up a positive relationship between preparing and advancement and Organizational Performance and along these lines prescribed to the powers of the Corporations concentrated on to give principle center to T&D capacity to upgrade OP. The study looked to locate the sort of relationship that existed in the middle of preparing and improvement and authoritative execution. Toward a superior comprehension of the impacts of preparing and improvement in the working environment, this examination focuses out the significance of preparing and advancement the workforce, decides the real sorts of preparing and advancement projects, talks about the relationship in the middle of preparing and the general authoritative execution, and offers a few rules for HR administrators to plan successful preparing and advancement.

(Khawaja Jehanzeb, 2012)The purpose this research is to build the training and development program of employee and its benefits. Representatives are regarded asset of the association and achievement or disappointment of the association transfer on the execution of workers. Those workers who have lot of experience they are valuable for organization. Associations are financing substantial sum on worker preparing and improvement programs. There is significant examination among experts and analysts on the influence that advancement project has on both representative and association. The study portrayed here is a watchful evaluation of writing on major of worker improvement system and its advantages to associations and representatives. In the event that associations are skilled to bolster all representatives in meeting their prerequisites then both, workers and associations will get the long haul advantages. After this research complete, we accept that to establish the employee development program that is very sufficient for organization. Any organization success or failure depends on the performance of employees.

The research study by (Mubashar Farooq, 2011). This study purpose is to define the impact of training or feedback on employee performance. Project process condition is improved due to effective training or feedback which outcome is that the performance of employees is also improves. The data of this study is gathered through Qnaire. Preparing spouts capacity of working in any kind of worker, even in non-proficient and new representatives; it pushes up the capacities of experts to a higher stage from where they as of now stand. From past studies all significant works concerning significance of preparing characterizes it not as an impetus for representative's execution change; however it completely includes with its diverse substance succeeding shortcomings in diverse

ranges of their working. These capacities convey not just short tem however enduring impacts on workers' execution. Moving either independently or together they assume their part in accomplishing hierarchical focuses by making its representatives more work center and objective arranged. Conclusion of this research is recommended more effective training programs are adopted or arranged.

(T. Rajeswari, 2014). This research was conducted in select public sector organization. In any organization HR is asset. Just through brilliant prepared faculty, an association can accomplish its objectives. The study evaluated the preparation and advancement procedure of select open segment association and whether preparing has enhanced worker execution. The outcomes demonstrated that select open area associations' representatives were not very much educated about preparing and advancement programs in the association. The discoveries uncovered that effect of preparing and worker fulfillment at open area association are not in accordance with the best works on in regards to the arranged and orderly levels of execution in the wake of preparing and developing representatives abilities and information process as is by and large known. The majority of the association has nowadays an appropriate preparing segment program on normal premise.

(Happiness Ozioma Obi-Anike, 2014). The study tried to focus the way of the relationship between preparing/advancement and authoritative viability; to highlight the advantages of preparing and improvement in Nigeria open area and to discover the effect of preparing/improvement on hierarchical exhibitions. The study inferred that viable preparing is an interest in the HR of an association, with both quick and long - reach returns. The study prescribes that associations ought to make preparing and improvement of their workers a general action. Preparing needs to include more than simply fundamental ability improvement. The issue of staff preparing and improvement is treated with levity and disregard and there is this misinterpretation of the point of staff preparing, in light of the fact that is been seen as an apparatus or means for staff advancement as opposed to seeing it from a comprehensive point as an apparatus for staff improvement, support for more prominent execution and maintenance.

This research was done by (GUNU, 2013). The outcome in the coefficient table be that as it may, showed that just three variables were noteworthy: hierarchical responsibility to Preparing and Improvement, recurrence of Preparing and Advancement and prize for best execution. The study in this manner inferred that for preparing and improvement to have a huge effect on authoritative execution, workers should be roused amid preparing projects. They incorporate authoritative responsibility to preparing and advancement of staff, recurrence of preparing and advancement and prize for best execution amid every time of preparing. In light of the discoveries from this study, it is presumed that for preparing and improvement to have a noteworthy effect on authoritative execution, workers should be roused amid preparing projects. The study additionally proffered the accompanying suggestions: Rather than cutting back those representatives with years of experience and selecting new ones, banks ought to somewhat put resources into preparing and advancement of their accomplished staff.

### 3. Methodology

#### 3.1. Research Model

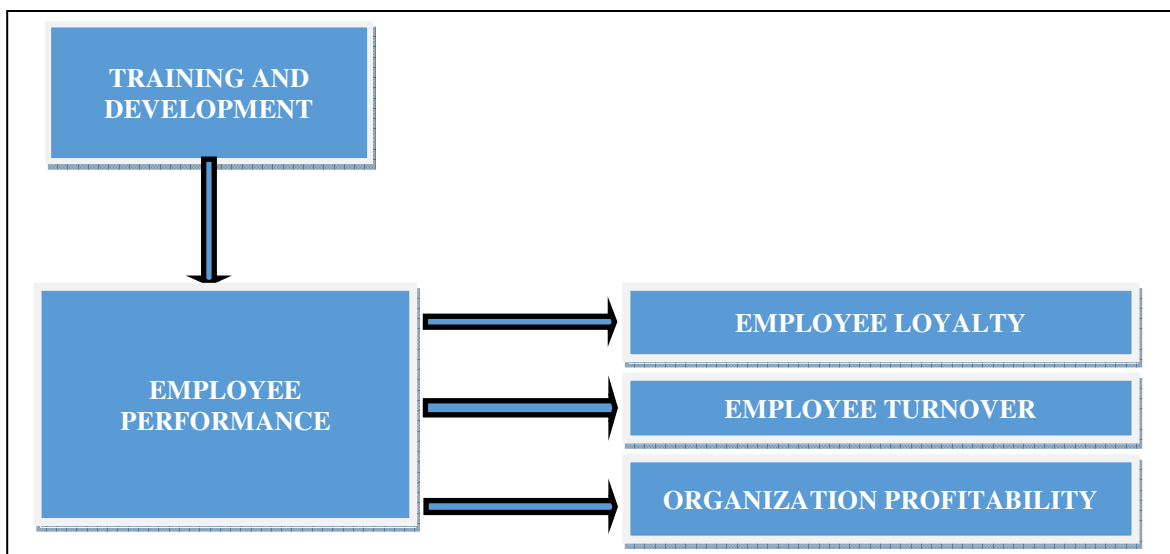


Figure 1

#### 3.2. Data Source

Primary data are gathered in this research by distributing the questionnaire among different Banks of Karachi. Nevertheless, a little support was taken by published articles, journals, books and internet for determining the suitable variables, forming the questionnaire and interpreting the statistical results of the testing hypothesis.

#### 3.3. Data Type

The type of data is Quantitative and all questions are included in the questionnaire are close ended as the main

Reason of the study is to determine the relationships between variables exist or not?

### 3.4. Hypothesis

- H01: There is no link of T&D and employee loyalty.
- HA1: There is link of T&D and employee loyalty.
- H02: T&D does not effect on employee turnover.
- HA2: T&D effect on employee turnover.
- H03: There is no correlation between T&D and organization profitability.
- HA3: There is correlation between T&D and organization profitability.

### 3.5. Data Analysis

Descriptive Statistics							
	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
Increase employee performance	200	1.00	3.00	1.1450	.39338	2.751	.172
Organization goal	200	1.00	3.00	1.5100	.54901	.420	.172
Employee development	200	1.00	4.00	1.4650	.60879	1.215	.172
Organization profitability	200	1.00	23.00	2.7100	1.67929	8.898	.172
Employee's loyalty.	200	1.00	3.00	1.8950	.66042	.116	.172
Training beneficial for employees	200	1.00	4.00	1.7900	.61465	.682	.172
Organization growth.	200	1.00	3.00	1.5950	.60232	.465	.172
Enhance problem solving skills.	200	1.00	4.00	1.8700	.77206	.294	.172
Boost up employee efficiency	200	1.00	3.00	1.8050	.59052	.076	.172
Enhance employees productivity	200	1.00	3.00	1.7350	.49599	-.431	.172
Employees satisfaction	200	1.00	4.00	2.1150	.75140	.238	.172
Future development	200	1.00	4.00	2.0550	.64346	.293	.172
Develop employees skills	200	1.00	4.00	1.9000	.57590	.159	.172
T&D	200	1.00	22.00	1.9650	1.59263	10.107	.172
Training program 1	200	1.00	4.00	1.6750	.67947	.606	.172
Training programs 2	200	1.00	3.00	1.4000	.58456	1.159	.172
Employee turnover	200	1.00	4.00	2.0800	.67519	.398	.172
Productivity and Performance	200	1.00	4.00	1.9100	.53227	.315	.172
Employee-Employer R/S	200	1.00	3.00	1.9350	.53121	-.068	.172
Motivation level	200	1.00	4.00	1.7850	.52932	.033	.172
Valid N (listwise)	200						

Table 1

## 4. Hypothesis Testing

### 4.1 Hypothesis 1

- H01: There is no link of T&D and employee loyalty.
- HA1: There is link of T&D and employee loyalty.

Correlations			
		T&D	Employee loyalty.
T&D	Pearson Correlation	1	.121
	Sig. (2-tailed)		.089
	N	200	200
Employee loyalty.	Pearson Correlation	.121	1
	Sig. (2-tailed)	.089	
	N	200	200

Table 2

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.797	.074		24.305	.000
	T&D	.050	.029	.121	1.711	.089
a. Dependent Variable: Employee's loyalty.						

Table 3

## ➤ Analysis# 1

Reference to the tables, the significance of the above correlation and regression testing is 0.089. It failed to reject because the actual significant level is 0.05 and this significant is more than 0.05 and it is proved that null hypothesis failed to reject. Hence there is no relationship between T&D and Employee Loyalty.

## 4.2. Hypothesis 2

- H02: T&D does not effect on employee turnover.
- HA2: T&D effect on employee turnover.

Correlations			
		T&D	Employee turnover
T&D	Pearson Correlation	1	.180*
	Sig. (2-tailed)		.011
	N	200	200
Employee turnover	Pearson Correlation	.180*	1
	Sig. (2-tailed)	.011	
	N	200	200
*. Correlation is significant at the 0.05 level (2-tailed).			

Table 4

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.930	.075		25.772	.000
	T&D	.076	.030	.180	2.578	.011
a. Dependent Variable: Employee turnover						

Table 5

## ➤ Analysis# 2

Reference to the tables, the significance of the above correlation and regression testing is 0.011. It is rejected because the actual significant level is 0.05 and this significance is less than 0.05 and it is proved the null hypothesis is rejected. Hence there is positive relationship between T&D and Employee Turnover.

## 4.3. Hypothesis 3

- H03: There is no correlation between T&D and organization profitability.
- HA3: There is correlation between T&D and organization profitability.

Correlations			
		T&D	Organization profitability
T&D	Pearson Correlation	1	.034
	Sig. (2-tailed)		.635
	N	200	200
Organization profitability	Pearson Correlation	.034	1
	Sig. (2-tailed)	.635	
	N	200	200

Table 6

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.640	.189		13.951	.000
	T&D	.036	.075	.034	.475	.635
a. Dependent Variable: Organization profitability						

Table 7

## ➤ Analysis# 3

Refer to the tables, the significance of the above correlation and regression testing is 0.635. It failed to reject because the actual significant level is 0.05 and this significant is more than 0.05 and it is proved the null hypothesis is failed to reject. Hence there is no relationship between T&D and Organization Profitability.

**5. Conclusion**

The main purpose of this research is to identify the effect or impacts of training on employee's performance. It was a superb learning period for me during writing this research paper "impact of T&D on the performance of employee. Training plays an important role on the employee's performance. Employee is the asset of any organization. And the organization's success and failure depend on the performance of the employees. Productivity and efficiency of the employees are improved due to training. The main purpose of T&D is to improve the employee skills or employees get more knowledge and also improve their performance. Determine the performance level through improvement in employee productivity, organization profitability, and employee loyalty.

This study investigates the benefits of T&D. T&D contributes to improved team work, improve positive attitude and efficient disciplinary work force. The study shows a positive relationship with T&D. Those employees who done the jobs and get a successful career life they wants that their performance or skills improve or they done great job. So organization gave trainings to those employees or built skilled and motivated employees that directed to a superior performance. Thus, training still cannot be discarded from the industry because its the most essential factor for the development of any organization. Mostly companies can't fulfill employee's demands with the connection of T&D. There is not providing proper T&D in many companies so employees not perform well or there is much difference between skilled or unskilled employees. So develop training institution's programs. Due to those programs employees improve their skills or doing work more effectively. To provide trainings, or on the job trainings the performance of employees increased. And due to good performance organization get success and efficiently achieve organizational goals and objective and also save cost & time. It means due to T&D overall organizational performance increased. In that time need to upgrade and eliminate the human capital skills and expertise in the organizations. Employees grooming or coaching or training is important for morale support. Due to training employees enhance their performance and effectively attain the organizational goal.

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