

Evaluating the Influences of Employees Training and Development on Organizational Performance of Deposit Money Banks

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Abstract

The aim of this study was to empirically examine the association between staff training & development and Organizational performance of deposit money banks in Rivers State. The study applied cross sectional survey design in structured questionnaire to collect data from 66 personnel of designated positions of any accessible branch of the 22 deposit money banks. Spearman's Rank Correlation Coefficient tool was employed with the help of SPSS Version 21.0, in statistically analyzing data. Results revealed that staff training and development have positive and significant relationship with organizational performance. Consequently, the study concludes that staff training and development are strategic assets in equipping employees with the necessary tools to improve productivity. The research recommends that banks that want to improve productivity are encouraged to invest more on staff training and development; particularly mentoring and job orientation.

Keywords: Employee Training, Development, Organizational Performance, Money Deposit Banks.

1. Introduction

The Nigeria banking sector has witnessed tremendous changes in the last two decades and noticeably responsible for these are; increased competition among players (banks), increased adoption of Information & Communication Technology (ICT), increased clients' yearnings for quality service, and more stringent rules from regulatory agencies (Edeh & Nwaji, 2018). More than ever before, banks are faced with the challenge of re-thinking their service strategies and processes in order to cope with the current sophisticated knowledge economy era. This entails that banks that want to compete favorably must key into current computerized-based information operation; which puts huge responsibility on management to deploy resources to this effect (Sultana, Irum, Ahmed, & Mehmood, 2012). In order to do so, banks have to obtain and utilize her human resources effectively. In so doing, management need to pay special attention to worker training and development as these programmes have been empirically proven in helping organizations improve performance (Sultana, Irum, Ahmed, & Mehmood, 2012; Edeh & Nwaji, 2018; Harvey, 2002).

According to Nassazi (2013) it is the responsibility of human resource personnel to enhance the work performance of the employees; therefore, continuously engaging workers with relevant training and re-training programmes is one of the major steps that most organizations need to achieve this. Evidently, as workers are a crucial resource to the organization, it is pertinent to optimize the contribution of them to the organization's goals as a means of sustaining effective performance. This therefore calls for bank managers to ensure an adequate deployment of resources to develop technically and socially competent work-force capable of career development into not only specialist departments or management positions, but also, delivering superior service to customers

(Edeh & Nwaji, 2018). Succinctly speaking, while the human resource is the intellectual property of the firm, talented workers have been proven to be a good source of gaining competitive advantage; and training is the only way of developing organizational intellectual property through building workers competencies.

Stressing the conception of training and development (Sultana, Irum, Ahmed, & Mehmood, 2012). stated that training is an organized programme designed to aid workers' performance through the imposition of job skills and knowledge. Failure of most banks in recent years was attributed to lack of workers' training and development, as the job remains boring, uninteresting, and sometimes difficult to untrained personnel. Development refers to teaching managers and professionals, the skills needed for both present and future jobs. Staff training and development are therefore a mixture of activities aimed at improving the performance of personnel in organization for the attainment of continuous improvement in workers' productivity and expertise (Kamoche, 2002).

Plethora of studies has been conducted in this research area. Ekwueme (2019) studied employee training & development and succession planning of deposit money banks in Abia State. The author adopted on-the-job training activities such as coaching and mentoring as dimensions. Devanna, Fombrun, & Tichy (2010), accessed human resource management by developing a framework for training and development. The authors considered both on-the-job and off-the-job training dimensions. However, with respect to this studies and other related ones, this research introduced organization policy as a moderating variable which seems new in literature, in to our framework, which has mentoring and job orientation as dimensions of staff training & development. These variables were assessed in order to ascertain their impact on worker productivity as it relates to deposit money banks in Rivers State.

In the last decade, there have been numerous customer complaints regarding different services of commercial banks, ranging from online services to those of the banking hall. It is evident as customers in some instance have demonstrated their dissatisfaction at various banking halls by angrily exchange words with front line employees such as salesperson, customer care representatives, tellers' personnel, etc. Other observable online issues are mobile transfer complications, POS network failure, ATM related problems, etc. (Oni, Mukaila, & Musa, 2016). Such actions in most cases result to switching to other banks with the associated negative word-of-mouth. These and other factors have contributed to the failure of banks in recent years.

It is against these contemporary issues this research was undertaken to examine whether staff training and development could be a workable solution to these issues by improving worker productivity through mentoring and job orientation.

2. Conceptual Framework of the Study and Research Hypotheses

The research is on staff training & development and marketing organizational performance of deposit money banks in Rivers State. The independent variable which is employee training & development has mentoring and job orientation as dimensions. On the other hand, the dependent variable which is organizational performance was measured with profitability. Below is the model specification:

$$OP = f(ETD) (OF) \text{ ----- Model 1}$$

$$OP = (P) \text{ ----- Model 2}$$

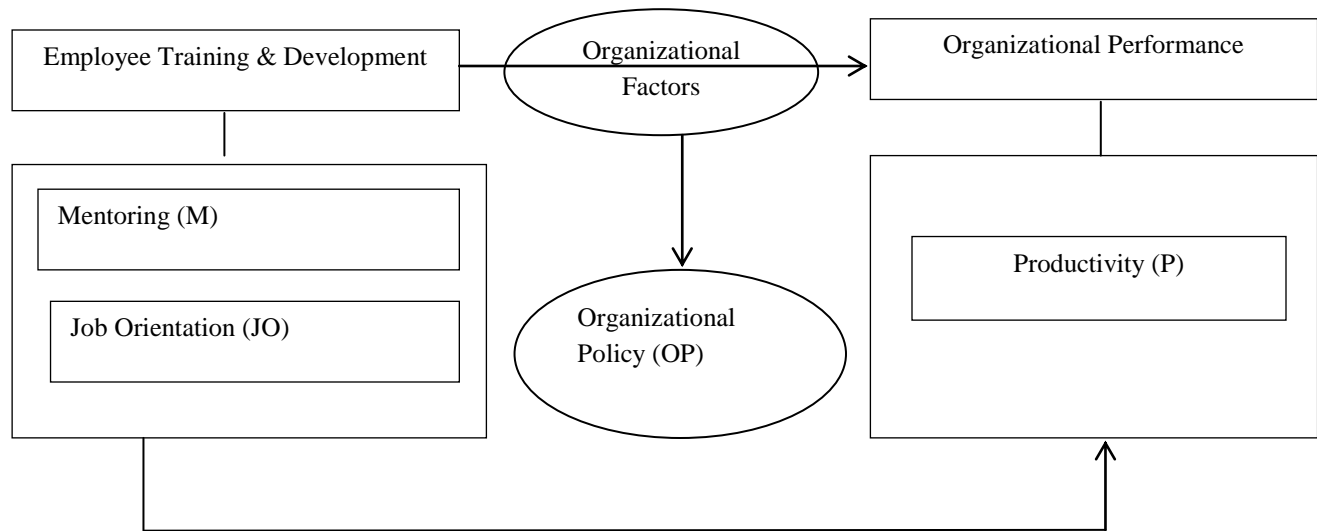
$$ETD = (M, JO) \text{ ----- Model 3}$$

$$(P) = f(M, JO) (OP) \text{ ----- Model 4}$$

Where:

- OP = Organizational Performance
- ETD = Employee training & Development
- OF = Organizational Factor
- M = Mentoring
- JO = Job Orientation
- P = Productivity
- OP = Organizational Policy

Below is the conceptual framework for this study



Source: Research Desk, 2020 as adopted from Ekwuem, 2019; Devanna, Fombrun, & Tichy (2010)

The research tested the following hypotheses in course of the study:

- Ho₁:** Mentoring does not significantly affect productive of deposit money banks in Rivers State.
- Ho₂:** Job orientation does not significantly affect productivity of deposit money banks in Rivers State.
- Ho₃:** Organizational policy does not moderate the relationship between staff training & development of deposit money banks in Rivers State.

3. Literature Review

3.1 Theoretical Foundation

This research was anchored on the Resource-Based View (RBV) theory. The origin of the RBV can be traced to the work of Penrose (1959) who opined that the firm can be conceived as an administrative organization that possess a combination of productive resources(both physical and human). Physical resources include land, machines and/or equipment together with human resources (worker skills and competencies), can provide the firm out-pace competitors. In this sense, there is a close relationship between the knowledge that workers in the organization acquire and services obtained from those resources (Makhija, 2003).

The RBV focuses specifically on the internal mechanisms that involve human resources and capabilities, and these assets are used to improve the competitive position of the firm. According to Wiklund & Shepherd (2003) competitive advantage does not emerge from industry dynamics, but from the processes of accumulation and utilization of resources within the firm. The authors stressed that the strategic value of the organizations' human resources and capabilities can be increased by the difficulty of acquiring, imitating or substituting them. Invisible assets, like employee knowledge, trust, reputation may not be transacted or easily replicated by competitors, as they are usually found in organization' sustainable competitive advantage and culture (Amit & Shoemaker, 1993). With respect to the RBV, bank managers can leverage on the gains from investing in workers' training & development programmes, and therefore build distinctive competitive advantage. Hence, the RBV is a suitable underpinning theory for this research.

3.2 Employee Training and Development

Literature on training& development are numerous and researchers are yet to agree on a unified definition of the concepts, as both are important concepts in improving organization's performance. The more organizations seek excellence, the more employees' training and development become imminent. Riyaz (2004) defined training as organizational effort aimed at helping a worker acquire basic skills required for the efficient execution of the functions for which they were hired. Cascio (2002) defined training as consisting of planned programs designed to

improved performance at both individual and group levels. In addition, Aina (1992) is of the view that training is the acquisition of the competence which permits workers to perform at an optimum standard. The author further holds that training as an experience, discipline, and systematic programmes, which causes people to acquire new skills and knowledge and predetermined behaviours.

In a similar fashion, staff development is concerned with developing the skill of an employee over his or her career with the firm. Staff development is a dynamic process, ideas, and practices that help workers advance in their job career (Isiaka, 2011). More so, staff development is the process of helping employees improve their administrative and decision-making abilities and competencies (Bankajo, 1996). The author further opined that staff development contributes organizational success by helping employees to meet the organization's present and future needs.

Kamoche (2002) reiterates that staff development is a process that engages employees ready for a rise in the organizational hierarchy. What the author refers to as a rise is simply promotion, and it entails a sense of self-fulfillment. It is important that every organization draws out plans on staff development programmes; as no organization can continue to survive and grow in a dynamic business environment that forget to deploy resources for staff development (Kamoche, 2002).

3.3 Organizational Performance

The concept of organizational performance in the behavioural science literature has not been clearly established and scholars have yet to come to terms on its definition. Sultana, Irum, Ahmed, & Mehmood (2012) saw organizational performance as how well a firm is doing in terms of making profit, return on investment, and retention of employees as well as having a good reputation from their host community. The concept can be measured based on the attainment of objectives and/or goals that were set at the beginning of the business year or quarterly depending on the calendar or policy of the firm.

More so, Richard, Devinney, Yip, & Johnson (2009) opined that organizational performance can be categorized in three specific areas of business outcomes. They include: financial performance (profits, return on assets, return on investment, etc.); product market performance (sales, market share, etc.); and shareholder return (total shareholder return, economic value added, etc.). From the foregoing, it can be deduced that when a business makes progress by achieving stated goals or objectives; then they are believed to be performing. In the case of deposit money banks, performance can be measured through increased customer patronage or sales with huge amount of deposit, retention of talented workers, and the opening of more branches in different but strategic locations within or outside a particular geographical location.

It is crucial to state that this study measured organizational performance with productivity. Agnes (2009) was of the view that productivity is the quantity of work that is achieved within a period of time by means of the factors of production. Bhatti et al. (2007) mentioned in this regard that organizational productivity is a measure of performance that encompasses both efficiency and effectiveness. It is the correlation that exists between the quantity of inputs and outputs from a clearly defined process. Bhatti & Qureshi (2007) in their view opined that organizational productivity is an indication of how efficient essential resources are utilized to attain specific goals in terms of quantity and quality within a given time frame.

3.4 Employee Training, Development and Organizational Performance

Many researchers have been carried out in the area of training & development and organizational performance. Khan et al. (2011) in their study found that on the job training, training design along with the style of its delivery have significant effect on organizational performance. According to a study conducted by Falola, Osibanjo, & Ojo (2014) it was revealed that there exists a strong relationship between training and development, employees' performance and competitive advantage. The authors recommend that bank management should always train their staff in order to develop new ideas that will keep improving and retaining employee performance.

Tahir et al. (2014) identified in their study that training and development are strategic windows in improving organizational performance. Thus, it is vital for organization to invest in staff training for improved performance. Training and development would provide opportunities to employees to make a better career life and get better position in organization. In doing so, organizations efficiency would be increased. Employees are the resources and assets of organization and if they are skilled and trained would perform better than those who are unskilled and untrained.

3.5 Moderating Effect of Organizational Policy on Employee Training, Development and Organizational Performance

As identified by Tahir et al. (2014) in their study that training and development are strategic windows in improving organizational performance. Thus, it is vital for organization to invest in staff training for improved performance. However, organizational policy has been reported to set constraints as to how and what amount of resources should be deployed in staff training and development (Cascio, 2002). The author was of the view that organizational policy is critical in developing and implementing staff training and development. This goes a long way to affect organizational performance. It is therefore imperative to note that effective staff training and development is possible where Organizational Policy makes provision for such activities or requirement.

4. Methodology

Due to the nature of this research as to the need for questionnaire distribution for data collection, this research adopted cross-sectional survey design. The population for this study consists of staff of deposit money banks in Rivers State. According to Central Bank of Nigeria (CBN, Quarterly Report, 2018), there are 22 deposit money banks in Nigeria. Due to the number of banks and their branches in the state, this research considered at least one accessible branch of the 22 banks. Positions targeted in these organizations for questionnaire administration are branch managers, marketing head, and operations head. This suggested that 3 persons in the 22 banks responded to questions in the research instrument, which gave a total of 66 respondents.

Principally, two sources of data namely: primary and secondary; were considered. In addition, instrument for this study was validated by consulting research experts in the field of management sciences. On the other hand, Cronbach's Alpha tests were carried out in order to evaluate the consistency of the instrument. A benchmark of 70% was used against the results of the reliability tests. Data for the study were analyzed at two levels. First; at the primary level, descriptive statistic tools such as tables, pie chart, percentages were adopted. Second; at the secondary level, Spearman's Rank Correlation Coefficient was used in testing the 3 hypotheses as proposed earlier in the study. It is crucial to state that while partial correlation was used in testing the moderating effect (variable); however, all analyses were carried out with SPSS (version 21.0).

5. Data Presentation and Discussions

5.1 Questionnaire Distribution and Retrieval

A total of 66 copies of questionnaires were administered to personnel of deposit money banks in Rivers State. Out of the 66 copies, 58 were retrieved, but only 55 were usable i.e. completely filled.

Table 1. Questionnaire Distribution and Retrieval

Questionnaire	Frequency	Percentage (%)
Distributed	66	100
Retrieved	58	88
Not retrieved	8	12
Retrieved usable	55	83

Source: Field Survey Data, 2020, SPSS Output.

Table 2. Reliability Test Results

Variables	Cronbach's Alpha
Mentoring	0.779
Job Orientation	0.834
Productivity	0.791

Source: Field Survey Data, 2020, SPSS Output.

The table above shows the results of the reliability test. As can be noticed, since the various test results are more than 0.70 (70%) which happens to be the criterion for acceptance of the instrument. Hence, the research instrument is reliable.

5.2 Testing of Hypotheses

Hypothesis One

H₀₁: Mentoring has no significant effect on productivity of deposit money banks in Rivers State.

Table 3. Correlation Analysis between Mentoring and Productivity

Correlation			Mentoring	Productivity
Spearman's rho	Mentoring	Correlation Coefficient	1.000	.789**
		Sig. (2-tailed)	.	.001
		N	55	55
	Productivity	Correlation Coefficient	.789**	1.000
		Sig. (2-tailed)	.001	.
		N	55	55

** Correlation is significant at the 0.05 level (2-tailed).

Source: Field Survey Data, 2020, SPSS Output.

Decision: The above table shows a Spearman Rank Correlation Coefficient of 0.789 and probability value of 0.001. Since the PV which is 0.001 < 0.05 we reject the null hypothesis and accept the alternate hypothesis. This result indicates that there is a positive and significant relationship between mentoring and productivity of deposit money banks in Rivers State.

Hypothesis Two

H₀₂: Job orientation has no significant effect on productivity of deposit money banks in Rivers State.

Table 4. Correlation Analysis between Job Orientation and Productivity

Correlations			Job Orientation	Productivity
Spearman's rho	Job Orientation	Correlation Coefficient	1.000	.841**
		Sig. (2-tailed)	.	.001
		N	55	55
	Productivity	Correlation Coefficient	.841**	1.000
		Sig. (2-tailed)	.001	.
		N	55	55

**Correlation is significant at the 0.05 level (2-tailed).

Source: Field Survey Data, 2020, SPSS Output.

Decision: The above table shows a Spearman Rank Correlation Coefficient of 0.841 and probability value of 0.001. Since the PV which is 0.001 < 0.05 we reject the null hypothesis and accept the alternate hypothesis. This result indicates that there is positive and significant relationship between job orientation and productivity of deposit money banks in Rivers State.

Hypothesis Three

Ho3: Organizational policy has no moderating effect on the relationship between staff training & development and Organizational performance of deposit money banks in Rivers State.

Table 5. Correlation Analysis of the Moderating Effect of Organizational Policy on the Relationship between Employee Training, Development and Organizational Performance

Correlations

		Staff Training & Development	Organizational Performance	
Spearman's rho	Staff Training & Development	Correlation Coefficient	1.000	
		Sig. (2-tailed)	.001	
		N	55	
	Organizational Performance	Correlation Coefficient	.553**	1.000
		Sig. (2-tailed)	.001	.
		N	55	55

**Correlation is significant at the 0.05 level (2-tailed).

Source: Field Survey Data, 2020, SPSS Output.

Decision: The above table shows a Spearman Rank Correlation Coefficient of 0.553 and probability value of 0.001. Since the PV which is 0.001 < 0.05 we reject the null hypothesis and accept the alternate hypothesis. This result indicates that organizational policy has a positive and moderate influence on the relationship between staff training & development and Organizational performance of deposit money banks in

6. Discussion of Findings

Result from hypothesis one showed a correlation value of 0.789. This indicates that mentoring has a positive and significant relationship with productivity. Therefore, the null hypothesis was rejected in favour of the alternate hypothesis. The finding however was in line with the findings of Khan et al. (2011) when they found that on the job training, training design along with the style of its delivery have significant effect on organizational performance. Also, the study conducted by Falola, Osibanjo, and Ojo (2014) agrees with ours. It was revealed in their study that there exists a strong relationship between training, development, and Organizational performance.

More so, result from hypothesis two showed a correlation value of 0.841. This revealed a positive and significant relationship between job orientation and productivity of deposit money banks in Rivers State. Therefore, the null hypothesis was rejected in favour of the alternate hypothesis. This result is with accordance with the study of Tahir, Yousafzai, Jan, and Hashim (2014) who identified in their study that training and development are strategic windows in improving organizational performance. Thus, it is vital for organization to invest in staff training for improved performance. Training and development would provide opportunities to employees to make a better career life and get better position in organization. In addition, hypothesis three showed a correlation value of 0.553. This revealed a positive and moderate effect of Organizational policy on staff training & Development and Organizational Performance. The result corroborate's with Cascio's (2002) argument when the author stated that organizational policy has been reported to set constraints as to how and what amount of resources should be deployed in staff training and development. He went on to state that organizational policy is critical in developing and implementing effective staff training and development.

7. Conclusions, Managerial Implications and Contribution to Knowledge

In recognition of the findings of this research and other related ones, it is therefore important to state that the responsibilities of the human resource manager have become critical to the survival of the organization. This is evident due to the strategic importance of staff training and development to help equip employees with the necessary tools to carry-out assigned tasks. Continues training of bank staffs a vital ingredient that prepares them with expertise to take-up the day-to-day job challenges in the work place. More so, with adequate staff development programmes, banks can reap from increased employee skills and productivity. In line with the RBV, it is instructive

to mention that effective and continues mentoring and job orientation can be thought of as strategic resources banks could use in building sustainable competitive advantages in service delivery that are unique and difficult to imitate.

In view of the above conclusions and implications, this research has successfully solved some of the identified contemporary problems in the banking sector. Also, with the use of alternative variables as combined in our framework, this research has added to the stock of literature in the area under review.

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