

Impact of Training and Development on Bank Employees' Performance: A Case Study of Some Selected Banks in Lagos State

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Abstract

With the rapidly evolving business landscape marked by frequent technological advancement, training and development of organization's employee becomes inevitable for employees' performance and the overall organizations' productivity. The banking system or financial institutions are largely affected by these technological advancements and globalization. This study seeks to establish the impact of training and development on bank employees' performance and organizational productivity. The study employed a descriptive survey research design. Two (2) research questions and two (2) research hypotheses were postulated to guide the study. A sample size of 100 participants was selected using stratified and simple random sampling techniques. The research instrument used in the study was a structured questionnaire titled: "questionnaire on the impact of training and development on bank employees' performance". Data collected were analysed using both descriptive and inferential statistics and the hypotheses were tested at 0.05 level of significance. The result shows significant impact of training and development on bank employees' performance. Furthermore, findings also revealed that there is a significant impact of training and development on employees' performance and organizational productivity. Based on these results, the study recommended that the management of the selected banks should make it a point of duty to establish a well-structured training and development policy for their employees.

Keywords: *Training, Development, Employees' Performance, Organizational Productivity*

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Background to the Study

Employees are the backbone of any organization. The achievement and success of an organization depend on the performance of the employees in the organization (Mwena & Gachunga, 2014). Adequate training and development programs are critical to the success of any organization. Training and development is an area of human resource management used to bridge the gap between current and expected employee performance (Elnaga & Imran, 2013). This includes organizational activities designed to develop the skills, knowledge, and capabilities of employees, thereby improving employee performance, job satisfaction, and overall organizational productivity. Training and development can also be defined as the process of acquiring knowledge, skills, and attitudes that help improve employees' job performance and ensure future growth. According to Beach (2005), training and development play a complementary role. Training refers to skills, routines, and predetermined responses required by the employees of an organization to perform their jobs effectively. Development aims at improving the ability of employees to reach their full potential.

Numerous studies have shown that training and development positively influence employee performance and organizational productivity. Arthur, Bennett, Edens, and Bell (2017) found that effective training programs significantly improved employee performance and knowledge. Oluwatuase, Enitilo, and Ogunjobi (2019) stated that organizational productivity is a function of the quality of employees. Nel et al. (2014) stated that training and development programs are designed to provide employees with the knowledge, skills, and abilities necessary to complete specific tasks, and contribute to the growth of the organization. Khan, Khan, and Khan (2011) also investigated the impact of training and development programs on organizational performance. The research found a positive relationship between having employees with the necessary skills and increased organizational productivity. Additionally, research shows that organizations that promote adaptability in the workplace are more likely to maintain or enhance productivity. Mohd Said, Nur, Halim, Nuron, Abdul Manat, Suhaily, and Adenan (2022) examined the influence of training and development on organizational performance. Research shows a positive correlation between investments in training and development and organizational performance. The benefits of employee training and development to the organization (as a whole) are enormous. Therefore, organizations are constantly faced with the challenge of providing training and development programs to improve employee performance as well as organizational productivity.

Over the years, globalization, technological advancement, and the evolution of workplace strategies have led to significant changes in the world of work practices. Organizations continue to face intense competition, an ever-changing business environment, and changing customer needs. This highlights the need for professionals to adapt to these changes by gaining knowledge and skills. To meet this need, training, re-training, and development of employees are essential for organizations (Hussaini and Bandiya, 2020). Therefore, organizations, whether it is a small-scale business with few employees or large-scale with many employees, strive to develop their employees to adapt to world trends and development in technology.

Financial institutions, especially banks, are not left behind in this great change caused by globalization and technological progress. The emergence of technology has made the banking

industry more customer and technology oriented (Sunil Das, 2018). However, since the banking sector is considered high risk (Awan & Kiren, 2016), the knowledge and skills of bank employees need to be continuously improved in order for the institution to achieve its goals. Training and development programs are essential to equip bank employees with the necessary knowledge and skills to perform their jobs effectively. Training and development can also increase bank employees' confidence by providing them with the necessary tools and skills needed to address a variety of tasks. This increased confidence in their ability can increase customer satisfaction, employee morale, and overall organizational productivity. Therefore, Meenakshundaram and Ramanathan (2020) concluded that the performance of bank employees determines the bank's productivity. However, studies on the effect of training and development on bank employee performance have not been conclusive. Some studies have found a positive relationship between training and development and employee performance. For example, Hassan (2016) found that human resources practices have a positive impact on employee performance. Hussaini and Bandiya (2020) also found a positive and significant relationship between training, development, and employee performance. Some other studies also found a negative correlation. Rawashdeh and Al-Adwan (2012) found that training and development can negatively influence organizational performance.

Furthermore, the effect of training and development on bank employee performance subsequently affects the institution's productivity. Related research results are also inconsistent. Mozael (2015) found a significant effect of employee performance on the achievement of organizational goals. Hamid, Maheen, Cheem, and Yaseen (2017) hypothesized that employee development can increase the performance of the organization. Studies (Anho, 2018; Malik & Kanwal, 2018) show a positive relationship between training, development, and organizational performance. On the other hand, Sung and Choi (2018) found a negative relationship between training, development, and organizational performance. This study reveals the importance of training and development in the banking sector, its contribution to employee performance, and the overall productivity in the industry.

Statement of problem

Financial institutions, especially banks, are vital for sustaining economic growth in any country. Over the years, globalization and technological advancements have influenced the performance of bank employees and the overall productivity of the banks. In the last decade, global policies, procedures, and rules have been established to direct the affairs of the banking sector. In addition, there has been a transition to online or Internet banking services, evident in mobile banking, POS, ATMs, etc. These transitions have their shortcomings in that global policies and internet facilities cannot in isolation contribute to the overall productivity of the bank. Therefore, this necessitates a continuous need to train and retrain bank employees to meet the rapidly changing dynamics of the banking industry. Training and retraining bank employees optimize their contribution towards the achievement of organizational goals. Lack of training or non-exposure to periodic training could result in bank employees being unproductive, underskilled, and providing poor quality of service. Furthermore, there appears to be a gray area between training and development and bank employees' performance. Findings on the effect of training and development on employee performance

have been inconclusive. More so, research findings on the impact of training and development on bank employees' performance and organizational productivity have been inconsistent. Therefore, this study aims to investigate the impact of training and development on the performance of bank employees in some selected banks in Lagos State.

Purpose of the Study: The main purpose of this research is to investigate the impact of training, and development on bank employees' performance: A case of some selected banks in Lagos state. Therefore, the specific objectives are to:

- 1) Investigate the impact of training and development on bank employees' performance.
- 2) Investigate the impact of training and development on bank employees' performance and organizational productivity across gender.

Research Questions: Two research questions were addressed in this study

1. What impact has training and development on bank employees' performance?
2. What impact has training and development on bank employees' performance and organizational productivity across gender?

Research Hypotheses: For the study, it was hypothesized that

H₀1: There is no significant impact of training and development on bank employees' performance

H₀2: There is no significant impact of training and development on bank employees' performance and organizational productivity across gender

Materials and Methods

Research Design

The study adopted the descriptive survey research design where one-hundred (100) employees drawn from four (4) randomly selected commercial banks of which two (2) are new generation banks and the other two (2) are old generation banks.

Sample and Sampling Techniques

The processed sample size was 100 participants from four selected banks. The sample size was scientifically arrived using Yamane's formula:

$$n = N / 1 + N(e)^2$$

Where: n= represent sample size

N= represent the proportion of the population for the study=104,000

e= represent the margin error; assumed to be 10%

To calculate the sample size for the study,

$$n = N / 1 + N(e)^2$$

$$n = 104000 / 1 + 10400(0.1)^2$$

$$n = 10400 / 1041$$

$$n = 99.90$$

$$n = 100$$

From the calculation above, the minimum sample size is 100. However, 100 sample size were used for this study. The sampling techniques for the study were purposive method, clustered and simple random methods. Purposive method was adopted to include both junior and senior of bank staffs. The branches of the four selected banks were clustered along the location line using the five division of Lagos state as the basis for selection. Random sampling method was also used on each cluster (division). Hence, a cluster random sampling method was employed in selecting the participants for the study. Based on the degree of homogeneity of the study population, each staff has equal chances of being selected. A baseline survey was also conducted at the beginning of the study to collect information on the staff designations (junior and senior) before the main study.

Instrument

The instrument used for the study is a self-developed structured questionnaire titled: impact of training and development on bank employees' performance. It contains two (2) sections: the first section comprises of the bio-data of the respondents while the second section contains items on the variables observed from the study. The questionnaire was subjected to a test of face and content validity and its reliability was ascertained. The reliability of the instrument was determined using Cronbach's alpha method and a reliability coefficient of 0.853 was obtained.

Data analysis

Data obtained from the study were analysed using frequency scores, percentages, mean, standard deviation and correlation

Results

The results are presented based on the research questions and research hypotheses
 Research question one: What impact has training and development on bank employees' performance?

Table 1: Impact of Training and Development on Bank Employees' Performance

Items	A	D	Remark
1) Do you feel training session helped you improve your work performance	89(89%)	11(11%)	Agreed
2) Are you utilizing the training skill and knowledge acquired through training programme	90(90%)	10(10%)	Agreed
3) Are training programme helpful in the long run	92(92%)	08(08%)	Agreed
4) Was the training programme helpful in personal growth	98(98%)	02(02%)	Agreed

Table 1 above shows the impact of training and development on the performance of bank employees 89% of the respondents agreed that training session have helped them improve their work performance, 90% of the respondents agreed that they are utilizing the skill and knowledge acquired through the training programme. 98% of the respondents agreed that the training programme helped in their personal growth.

Research question two: What impact has training and development on bank employees' performance and organizational productivity across gender?

Table 2: Impact of Training and Development on bank Employees' Performance and Organizational Productivity

Items	Male		Female	
	Yes	No	Yes	No
1) Do you agree that training and development improve employees' performance	30	15	45	10
2) Do you agree that training and development increases your organization's productivity	40	5	52	3

Table 2 presents the impact of training and development on employees' performance and organizational productivity across gender. From the Table, 30 male respondents and 45 female respondents (75% of the respondents) agreed that training and development improve bank employee performance while the remaining 25% of which 15 were males and 10 females disagreed. This implies that a greater percentage of the female respondents agreed that training and development improve employee performance compared to the male respondents. Furthermore, 40 male employees and 52 female employees agreed that training and development increases organizational productivity while 5 males and 3 females disagreed. This implies that more female respondents agree that training and development increases an organization's productivity.

Analysis of Research Hypotheses

Hypothesis one: There is no significant impact of training and development on bank employees' performance

Table 3: Impact of Training and Development on Bank Employees' Performance

Variables	N	Mean	S.D	r-cal	r-critical	df	Sig
Training and development	100	1.26	0.44	0.65	0.16	98	0.00
Bank employees' performance		4.42	0.67				

Table 3 shows the correlation between training and development and bank employees' performance. The r-calculated value is 0.65 and r-critical value is 0.16. The r-calculated value is greater than the r-critical value at 98 degree of freedom and $\alpha = 0.05$. Since $r\text{-cal} > r\text{-crit}$, the null hypothesis which says that "there is no significant impact of training and development on bank employees' performance" is rejected and its alternative accepted. This means that training and development have significant impact on bank employees' performance.

Decision: Reject H_0

Hypothesis Two: There is no significant impact of training and development on bank employees' performance and organizational productivity across gender

Table 4: Impact of Training and Development on Bank Employees' Performance and Organizational Productivity Across Gender

Model	R-square	f-change	Change statistics		
			df1	df2	Sig F change
1	0.024a	2.389	1	98	0.125

a. predictors (constant) training and development

Coefficients					
Model	Unstandardized coefficient		unstandardized coefficients		
	B	Std. error	Beta	t	Sig.
Constant	1.467	.384		3.820	.000
Training & development	-0.038	0.116	-0.033	-0.325	0.746
Organizational productivity	0.007	0.085	0.008	0.083	0.934

- dependent variable gender

The result from Table 4 revealed a significant impact of training and development on bank employees' performance and organizational productivity exists across gender. The R^2 value of 0.024 indicated that training and development contributed 2.4% to the variability of organizational productivity across gender. This implies that for every small change in training and development, there is a 2.4% change in employees' performance and organizational productivity across gender given that $\beta = 1.467$, $t = 3.820$, $p = 0.000 < 0.05$. Therefore, the null hypothesis is rejected and the alternative accepted. Hence, there is a significant impact of training and development on bank employees' performance and organizational productivity across gender.

Decision: Reject H_0

Discussion

The results of the analysis related to hypothesis one indicated that there is a significant impact of training and development on bank employees' performance. Respondents agreed that their performances improved as a result of training and development. They also agreed that training and development was beneficial for personal development. This finding is consistent with Khawaja and Nadeem (2013) who found that training and development improves the quality of new and existing employees and is a method of learning that benefits the individual, group and organization as a whole. Supporting this finding, Manju and Suresh (2011) explained that training and development of employees allows an organization to improve the quality of goods and services and maintain its competitiveness in the market. A study carried out by Hassan (2016) revealed that human resources practices have a positive effect on employee performance also buttressed this finding.

Finding on the 2nd hypothesis shows that there is a significant impact of training and development on bank employee performance and organizational productivity across gender. This finding is in line with Nel et al (2014) who explained that training and development programs are designed to equip employees with the necessary skills and abilities to excel in

their roles and ultimately improve organizational productivity. This finding is also in consonance with Mozael (2015) who found significant effect on the achievement of organizational goals through improved employee performance.

Conclusion

The study was conducted to investigate the impact of training and development on bank employee performance and organizational productivity. The findings of the study emphasized that training and development have a significant impact on the performance of bank employees. The study also concluded that training and development significantly affect bank employee performance and organizational productivity across gender.

Recommendation

Based on the findings in this study, the following recommendations are offered

1. Management of banks should consider implementing training and development initiatives to ensure continuous improvement in employee performance
2. Banks should make training and development a policy with adequate budget provision to enable more bank employees' benefit

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