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**“The Role of Training and Development On Employee
Performance. A Study of Commercial Banks
In Kisumu City”**



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Abstract

Much effort has been put in by scholars and researchers in understanding the nature, dimension and consequences of employee training. Also theoretical as well as practical solutions have been suggested; specially designed projects and programmes have been put in place by organizations to tackle the problem of staff capacity building as well. However, the relationship between employee training and the effect on employee performance has received very little or no attention in the capacity building literature. As a way of mainstreaming development in staff response and effectiveness, this study examines the role of training and development in enhancing employee's improvement in Kenya, taking banks within Kisumu City as a case study. Using a strong methodological approach which focuses on descriptive survey technique, this study found out that training and development is essential in commercial banks and other organizations. The commonly used strategy was on the job training. On the whole though, the findings show that the main hindrance to employee training and development is inadequate finances. The study recommends among others that that organization should spend more time and money on training and development of their employees.

Introduction

It is important that workers of an organization should be adequately educated and trained (Pylee & George, 1999). As such, no employee should be put on the job unless he has the necessary information about his job and sufficient training and capacity to perform it. Organizations in today's business environment operates on a very dynamic and highly competitive world characterized by cut throat product and service competition, high cost of production, emergence of technological advancement and the application of such technologies in the daily operation of organizations across the globe. In regard to such developments, training of the work force to handle challenges posed by the inevitable changes in the industry is very necessary if organizations are to live up to their strategic objectives and to survive the test of time. The present study investigated the role that training and employee development plays in organizational performance. As such, equipping employees to be responsive takes nothing short of relevant training on conceptual and technical skills particularly to the operational cadre employees because they directly handle the bulk of work in the process of executing the policy implementation. This can be achieved by modification of attitudes and behavior through learning experience (Armstrong, 2000). Training and development enhances efficiency and effectiveness that guarantees continuity and competitive advantage of an organization- a prerequisite for survival.

Economic variables like inflation, political uncertainty and the contemporary global trends calls for personnel that are highly trained to not only predict but also provide the way out of challenging circumstances. Managers move from one level to another and as they do so they require more skills both human and conceptual to handle the problems they face at those higher levels (Balunywa, 2004). According to Flippo (1984), no organization has a choice of whether to develop employees or not; the only option is that of the method. Therefore there was need to examine the role of training and development in organizations by unlocking the chains of inadequate and sometimes irrelevant personnel training. This can only be done objectively by making a thorough assessment on what effects training and development has on employee performance.

Objectives of the study

1. To find out the employee training and development strategies used by banks in Kisumu city.
2. To investigate the role of training and development on bank employees' job output in Kisumu city.
3. To determine the role of training and development on bank employees' efficiency on the job in Kisumu city.
4. To establish the role of training and development on bank employees' quality of work in Kisumu city.
5. To find out the training and development challenges faced/experienced by commercial banks in Kisumu city.

Limitations of the study

The study was limited to the responses obtained from the questionnaires and the interviews conducted. The researcher had no control over the exact information employees of banks in Kisumu city chose to give or withhold. Moreover, the findings of the study may not be applicable to other financial institutions which are not yet fully fledged commercial banks.

Methodology

The research was carried out using the descriptive survey design. According to Kothari (2005), a descriptive research includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. Orodho and Kombo (2002) say that descriptive survey is a method of collecting information by interviewing or administering a questionnaire to a sample of individuals.

Mugenda and Mugenda (1999) are of the view that a descriptive research design aides the researcher to formulate a more precise problem statement. A descriptive study establishes only associations between variables, an independent and dependent variable in a population and since the main aim of this study was to investigate the role of training and development on employees descriptive survey design was found to be the most suitable design/method.

This study was carried out in Kisumu city of Nyanza Province. The researcher chose this area because of the researchers' prior knowledge in the field and familiarity with many commercial banks in the city. Almost all banks in Kenya are represented in Kisumu and therefore a wide range of choice was available. This increased the chances of generalization of the research findings.

A sample size of 200 respondents of both the staff and the management was selected who have in one way or another experienced or benefited from the bank's training and development activities and programs. According to Kothari (2005), an optimum sample is one in which it fulfills the requirements of efficiency, representativeness, reliability and flexibility. Costs too indicate the size of the sample that can be drawn. Budgetary constraint was also taken into consideration when deciding the sample size. The sample shall comprise of management and other staff members.

The population of the study was employees of commercial banks, both the management and other members of staff of the 22 banks in Kisumu City. Preliminary investigation revealed

that, the banks in the city had approximately 450 employees; a target population of 400 employees was selected. The respondents included the senior management staff and other bank staff. Purposive sampling technique was used to select 200 respondents from the two strata of the population namely; management staff and the other staff members.

In collecting data two instruments were used, questionnaires and structured interview questions because the questionnaires alone would not elicit exact data required. The researcher adopted a method of drop-and-pick where she dropped the questionnaires and collected them later in person after having been filled by the respondents. The researcher also used structured interview schedule. The representation of the content on the dependent and independent variables through relevant questions were checked using the expert judgment method. According to Mugenda and Mugenda (1999), a stability coefficient of 0.80 or more is acceptable as it implies that there is high degree of reliability.

The validity of the research instruments was ascertained by consultations with supervisors, they analyzed the contents of the questionnaire and interview questions to ascertain the items in the two data collection instruments suited the purpose for which they were intended/set. Before actual data collection process the researcher was armed with a reference letter from Jomo Kenyatta University which acted as an introduction. The researcher dropped the questionnaires to the respondents, requested them to fill and collected them in person after one week to enhance employee confidentiality. The researcher left her contacts to enable the respondents to seek clarifications or for collection of the questionnaires once they were ready.

The researcher analyzed data using Statistical Package for Social Scientists; descriptive statistics to meaningfully describe a distribution of scores using a few indices or statistics. Measures of central tendency and measures of variability were also used to enable the description of scores be more detailed. The presentation of data was done using tables.

Some of the problems encountered while administering the questionnaire include respondents taking too long to complete the questionnaires; difficulty in conducting interviews and some staff members being too busy to engage. Ethical considerations were factored in throughout the interview process.

Results and Analysis

Table 4.1 Ages of the Respondents

The study sought to establish the age of the respondents. Table 4.1 below shows the responses obtained.

Age bracket	Frequency	%Proportion
18-25 years	30	16.7
26-33 years	70	38.9
34-41 years	42	23.3
42-49 years	25	13.9
50 years and above	13	7.2
Total	180	100

From the table, it can be noted that 30 (16.7%) of the respondents are in the age bracket of 18-25 years, 70 (38.9%) are between 26-33 years, 42 (23.3%) are in the range of 34-41 years, 25 (13.9%) are in the range of 42-49 years while the remaining 13 (7.2%) are 50 years and above. This shows that majority of the employees are below 35 years and hence young enough to attend training.

Table 4.2 Gender of the respondents

Question two sought to establish the gender of respondents. The table below shows the gender of respondents.

Gender category	Frequency	Percentage
Male	102	57
Female	78	43

From the above table, it can be noted that 102 (57%) of the respondents were male while 78(43%) were female. This shows that there are slightly more male employees in commercial banks in Kisumu city than female ones.

Table 4.3 The levels of education of the respondents

The study also sought to establish the levels of education of the respondents in commercial banks found in Kisumu city. The responses are presented in the table below;

Academic qualification	Frequency	Percentage
Certificate	30	16.7
Diploma	45	25
Degree	85	47.2
Masters	20	11.1

The study found out that 30(16.7%) of the respondents have certificate trainings, 45(25%) had diploma training, 85(47.2%) had degree qualifications while 20(11.1%) had masters degree. It can therefore be noted that majority of workers in commercial banks in Kisumu city have attained degrees and diploma training, only a few have certificates and masters degree. This shows that for one to be a bank employee in the current world one has to have a degree and also bank employees are going for further studies and this percentage (11.1%) will be increasing with time.

Table 4.5 Working Experience of the Respondents

The length of time the employees have worked in the banks was considered important since the longer the period of time that one has worked, the higher the likelihood that he or she has attended some form of training. The responses were as shown below.

Experience	Frequency	Percentage
1-3 years	86	47.8
4-6 year	49	27.2
7-10 years	30	16.7
11 years and above	15	8.3
Total	180	100

From the table, it can be noted that 86 (47.8 %) of the respondents have worked for 3 years and below in the banking institutions, 49 (27.2%) have worked for between 4-6 years, 30 (16.7%) have worked for between 7 and 10 years while 15 (8.3%) have worked for 11 year and more. This shows that majority of the employees in commercial banks under area of study have less than 11 years working experience.

Table 4.6 Positions held by the respondents

It was important to know the positions held by the respondents to be able to know who to give the questionnaire and who to interview. The respondents' position is as in the table below;

Rank	Frequency	Percentage
Operations Officer	160	88.9
Management	20	11.1

It is clear from the table that majority of the respondents 160(88.9%) were operations staff comprising of tellers, back officers and customer service personnel, while only 20(11.1%) were members of management comprising of branch managers, operations manager, relationship officers in credit and supervisors.

Table 4.7 Presence of Training Policy in Commercial Banks

The respondents were asked whether they have a training policy in their respective institutions. The finding revealed that 158(87.8%) of the respondents agree that there is a training policy in their institution while 22(12.2%) said that they do not have any training policy. Training policy is a document that outlines the criteria for the organization on what, when, who and how should its employees be trained.

Response	Frequency	Percentage
Yes	158	87.8
No	22	12.2

Table 4.8 Types of Training

The respondents were also required to state the type of training they have undergone. The results were as shown in the table below.

Type of training	Frequency	%Proportion
On the Job	150	83.3
Off the Job	10	5.6
Both	20	11.1

From the table, it can be seen that majority of the employees in the banks in Kisumu city have had on the job training 150(83.3%), 10(5.6%) of the employees have had off the job training while 20(11.1%) have had both on the job and off the job trainings.

Table 4.9 Availability of Training Needs Assessment

Training may not be useful if it does not address the employees’ needs and deficiencies. This can be done by carrying out training needs assessment to establish the training needs of the employees in an organization.

The questionnaire item therefore sought to establish whether commercial banks in Kisumu city have a training needs assessment tool.135 (75%) of the respondents agrees that there is a training needs assessment tool in the banks,15(8.3%) said they do not have one while 30(16.7%) were not sure of whether any training needs assessments tool is in their bank.

Response	Frequency	Percentage
Yes	135	75
No	15	8.3
Not sure	30	16.7

Table 4.10 Selection of Employees for training

The questionnaire item sought to establish the criteria for the selection of employees to attend training and also who organizes the training. The responses were as shown in the table below:

Selection Done By		Self	Organization/HR
Internal training	Frequency	24	156
	Percentage	13.3	86.7
Off the job training	Frequency	165	15
	Percentage	91.7	8.3

From the above table, it can be noted that for internal training, the selection is mainly done and organized by the organization 156(86.7%) and the individual employees have little or no say 24(13.3%) while for off the job training individual employees have more say 165(91.7%) and the organization (employer) have little say 15(8.3%).

Table 4.11 Effect of training and development on employee’s performance

The study sought the opinion of the respondents on the effect of training on individual performance. This covered various aspects in general as per the study objectives; including output, efficiency, quality of work and personal growth. Several performance indicators were provided to guide the respondents. The options given were; Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree. Their responses were as shown in the table below.

	Statement		SA	A	N	D	SD
1.	Training and development leads to increased job satisfaction	Frequency	60	100	20	-	-
		%	33.3	55.6	11.1	-	-

2.	Training and development increases employee morale and efficiency	Frequency	70	105	-	5	-
		%	38.9	58.3	-	2.8	-
3.	Trained employees are more motivated hence increase output	Frequency	54	90	36	-	-
		%	30	50	20	-	-
4.	Training and development leads to increased efficiencies in process and quality of work.	Frequency	30	136	-	10	4
		%	16.7	75.6	-	5.5	2.2
5.	Training & development enhances employees promotion	Frequency	30	93	45	5	7
		%	16.7	51.7	25	2.8	3.8

From the table above, majority of respondents are of the view that training and development leads to increased job satisfaction 60(33.3%) strongly agreeing, 100(55.5%) agreeing and 20(11.1%) were neutral. 70(38.9%) strongly agreed that training and development increases employee morale and efficiency, 105(58.3%) agree while only 5(2.8%) did not agree on the same. On the training and development making employees being motivated in their duties, 54(30%) of the respondents strongly agree, 90(50%) agree, while 36(20%) were neutral.

On training leading to increased efficiencies in process and quality of work, 30 (16.7%) strongly agree, 136 (75.6%) agrees 10(5.5%) disagree and 4 (2.2%) strongly disagreeing.

When asked if training and development enhances employee promotion, 30(16.7%) strongly agreed, 93(51.7%) agreed, 45 (25%) were neutral, 5(2.8%) disagreed and 7(3.8%) strongly disagreed.

Table 4.12 Effect of training on the employee's efficiency

The study sought the opinion of the respondents on the effect of training on the efficiency of the employees on the job. Their responses were as shown in the table below.

	Statement		SA	A	N	D	SD
1.	Training and development leads to increased task performance speeds	Frequency	60	80	40	-	-
		%	33.3	47.6	20.2	-	-
2.	Training and development increases employee proficiency	Frequency	103	70	-	7	-
		%	57.1	38.9	-	3.2	-
3.	Trained employees are timely in solving client queries	Frequency	54	90	36	-	-
		%	30	50	20	-	-
4.	Training and development leads to increased reliability i.e. ability to perform the promised service dependably and accurately	Frequency	30	93	45	5	4
		%	16.7	51.7	25	2.8	2.2

From the table above, majority of respondents are of the view that training and development leads to increased task performance speeds 60(33.3%) strongly agreeing, 80(47.6%) agreeing and 40(20.1%) were neutral. 70(38.9%) strongly agreed that training and development increases employee proficiency, 103(57.1%) agree while only 7(3.2%) did not agree on the same. On the training and development making employees to be timely in solving or addressing customer queries, 54(30%) of the respondents strongly agree, 90(50%) agree, while 36(20%) were neutral. On training leading to increased reliability on work, 30 (16.7%) strongly agree, 97 (51.7%) agrees, 45(25%) were neutral, 5(2.8%) disagree and 4 (2.2%) strongly disagreeing.

Table 4.13 Training and employees’ quality of work

The researcher also sought the opinion of respondents on the role of training and development on the employees’ quality of work. Their responses were as shown in table below.

	Statement		Yes	No
1.	Training helps to increase capacity of an employee to offer better services.	Frequency	130	50
		%	72.2	27.8
2.	Training and development reduces employee error rate on tasks	Frequency	155	25
		%	86.1	13.9
3.	Training and development leads to increased innovation in strategies and product quality	Frequency	141	39
		%	78.3	21.7
4.	Training and development enhances responsiveness i.e. willingness to help customers and provide prompt service.	Frequency	110	70
		%	61.1	38.9

From the table, it can be noted that majority of the respondents agrees that employee training helps to increase the capacity of an employee to offer better services and only a few said no i.e. 130(72.2%) and 50(27.8%) respectively. When asked if employee training helps to reduce employee error rate on tasks, 155(86.1%) of the respondents said yes while only 25 (13.9%) said no. The respondents were also asked whether training and development led to increased innovation in strategies and product quality and 141(78.3%) agreed that is the case and 39(21.7%) disagreed.110(61.1%) of the respondents agreed that training and development enhances responsiveness and willingness to help customers and provide prompt services while 70(38.9%) disagreed.

Table 4.14 Training and Development Challenges

The respondents were required to give their opinions on a 5 point scale where 1 = Strongly Disagree, 2=Disagree, 3=Neutral, 4= agree, 5=Strongly Agree.

	Challenge	Mean	Percentage %
1.	Employee willingness to training and development	3.5	23.3
2.	Organization finds training and development expensive	5.5	36.6

3.	Training and Development takes much of the organizations time	3	20
4.	Availability of training institutions	1	6.7
5.	Training and Development leads to high employee turnover	1	6.7
6.	Training and Development does not lead to improved performance	1	6.7

From the table above, it can be noted that the most serious challenge facing banking institutions in as far as training and development of its employees is concerned is the cost of training which is perceived by most respondents as expensive. This challenge recorded a mean of 5.5 (23.3%) of the respondents agreeing. Employee willingness to train and time taken by organization on training and development was 3.5(23.3%) and 3(20%) respectively. Availability of training institutions, employee turnover and effects of training and development on performance might be considered as less serious since all the three had a mean of 1(6.7%).

Conclusions and Recommendations

Based on the research findings, the researcher concludes that training and development is essential in commercial banks and other organizations. The commonly used strategy was on the job training. It is clear that training and development plays a major role in improving employee output, performance, efficiency and quality of work. The most serious challenge experienced by banks relating to training and development was the high costs involved; this was followed by employee willingness. Other challenges faced by commercial banks on training and development include: the time taken by organizations, availability of training institutions and high rates of turnovers. To generate reasonable growth, the study recommends that organizations should spend more time and money on training and development of their employees.

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