

THE EFFECT OF JOB TRAINING AND DEVELOPMENT ON EMPLOYEE PERFORMANCE: COMMERCIAL BANKS IN MOGADISHU, SOMALIA:

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ABSTRACT

Organizations are working hard to achieve success and competitiveness by employing qualified human resources. The specific problem addressed in this study was examining the effect of training & development on employee performance in the banking sector in Mogadishu, Somalia. This survey adopted a questionnaire with 23 questions in order to obtain primary data regarding respondents' opinion and concepts. The sample size of this paper was 96 respondents from Salaam Somali Bank, Premier bank and Dahabshil bank in Mogadishu, Somalia. The results of this paper were analyzed using SPSS and to test reliability of this study Cronbach's Alpha was used. Descriptive statistics, correlation, regression and ANOVA were also used to find the correlation between the variables used in this study. The results of the study showed that there is a strong positive relationship between training & development and employee performance. Training design was found to have a significant positive relationship with employee performance and the association between training delivery style and employee performance was found to be a significant positive. The paper recommended Organizations should put training in their strategic plans and make it obligatory for every employee and provide training to their employees adequately and on a regular basis.

Key Words: *Training & Development, employee Performance, Human Resource Management, Training Design, delivery style*

1. INTRODUCTION

In this era of globalization human resource development is a key strategic resource that enables organizations gaining a sustainable competitive advantage. Human resource is one of the key differentiating factors between a good and a bad company. One of the key functions of human resources department is employee training and development. Training is regarded as a key HRM

function which has attracted the research attention of many academic researchers (Merriam & Grenier, 2019). According to Jeffrey E. Mello (2011, p.386), training is a process that involves knowledge and skills that will directly be utilized in employees' work. There are various benefits that can be attained through training staff properly which encompass enhancing the job satisfaction level of staff, and collective empowerment (Voegtlin et al, 2015; Ajibade and Ayinla 2014; Sung and Choi, 2014). Adopting the modern training methods and learning theories are regarded to be another key training issue. Training to be successful relies heavily on utilizing successful training methods that can draw employee's interest and enhance their process of learning (TeckHua & Catherine, 2015; Mishra & Smyth, 2015; Alwekaisi, 2015). Training employees incorporates providing orientation to new employees, existing employee's trainings and providing leadership trainings to employees. In terms of new employees orientation, Brown (2019) referred that "a well thought out orientation program, whether it lasts one day or six months, will help not only in the retention of employees but also it increases employee productivity". However, to hire talented people and train them properly enable employee retention and promote productive staff.

Several researchers showed that employee training is a fundamental and productive instrument in achieving the firm's goals and objectives successfully, which results in higher performance and productivity of the firm (Colombo & Stanca, 2008; Sepulveda, 2005; and Konings & Vanormelingen, 2009). And also, Armstrong (2000) asserts that trained employees perform well as teams due to the fact that every individual is aware of the expectations and can collectively achieve them efficiently. Employee training, according to Akter (2016) and Hughey & Mussnug (1997) is a learning experience that aims to transform employees' precise abilities, knowledge, attitudes, or behavior, that is greatly desired to help the employees use current methods, tools, approaches, and resources in performing their work. Training and development assists the organization in accomplishing their organizational goals effectively and as well as efficiently (Garavan et al., 2020). Though the researchers examining the effect of training and development on employee performance have increased, few studies have undertaken the issue of banking sector, which are growing industry in Mogadishu, Somalia. Therefore, this study is going to

investigate training and how it affects the performance employees in banking sector, Mogadishu, Somalia.

2. RESEARCH OBJECTIVES

- 1) To examine the effect of training & development on employee performance.
- 2) To determine the effect of training design on employees' performance.
- 3) To identify the effect of training delivery style on employees' performance.

3. RESEARCH HYPOTHESIS

- 1) H1: There is a significant relationship between training & development and employee performance.
- 2) H2: There exists a significant relationship between training design and employee performance.
- 3) H3: There is a significant relationship between training delivery style and employee performance.

4. CONCEPTUAL FRAMEWORK

The conceptual framework for the study was illustrated through the diagram below. The diagram shows conceptualization which is aimed to envision the causation of the research problem before understanding this research in depth. However, the main aim of this study was to explain the association between training & development and employee performance.

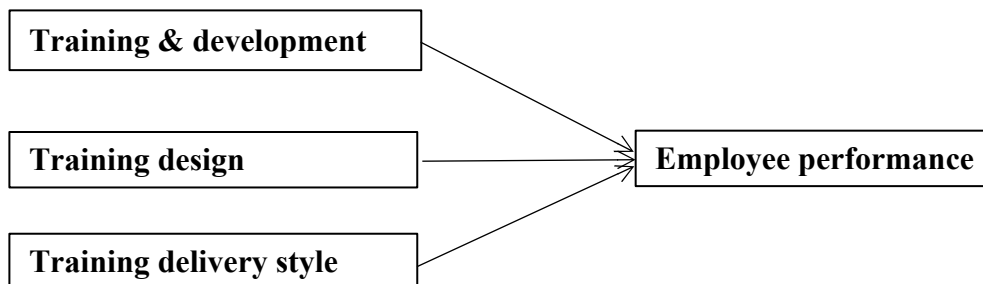


Figure 1: conceptual framework

5. LITERATURE REVIEW

5.1. TRAINING AND DEVELOPMENT

According to Dessler (2020: 240) “Training is a process of giving new or current employees the skills that they need to perform their jobs”. DeCenzo & Robbins (2016:180.) defined Employee

training as “a learning experience that teaches new skills, knowledge, attitudes, and behaviors necessary for successful job performance.” According to Britannica (1998), enhancing more technical skills of employees, it is more usual for big employers in United States to organize with a university to arrange special courses, and it is greatly common in Great Britain to foster employees to attend regular classes in order they acquire key technical certificates. Training that is given to employees in organizations can be categorized into four groups which include: a) Training given to a fresher and new staff in induction form b) training for existing employees to enhance the skills and knowledge required for a certain job c) training for updating, amending the employees in order to adapt with the current technology and d) career growth and promotion which is the greatest concern (Uma S.N, 2013).

According to Mathis and Jackson (2016), the systematic training process consists of four phases: assessment, planning, delivery, and evaluation.

- **Training needs assessment**

Training is designed to assist the organization in achieving its goals. As a result, the diagnostic phase of creating training objectives is examining organizational training needs. To determine if training can help, the assessment phase considers employee and organizational performance issues. Non-training aspects such as compensations, organizational structure, job design, and physical work surroundings should all be considered when determining training needs. The appropriate type of training needed should be identified through organizational, person, and task analysis. Mathis and Jackson (2016) added Organizational analysis, job analysis, and individual analysis could be utilized to determine training needs. Following the identification of training needs through suitable assessments, training objectives and priorities must be defined by determining a skill gap or training need, which is the gap between where an organization is with its personnel capabilities and where it needs to be. To close the gap, training objectives and priorities have to be established.

- **Training Design**

Following the identification of training objectives, the next step is to create a training design. Training must be tailored to meet the identified needs after the assessment. Effective training design takes into account learning concepts, legal issues, and various training approaches.

Preferably, employee training should be designed to attain the set goals by the organization while ensuring the individual employee's dreams being realized. It is mandatory for any organization to design its training program with deep concerns (Michael, 2000). Employees' requirements towards the organization should be centered while designing a training program. Organizations that design training programs with the requirements of their employees and organizational goals in mind will always reap its benefits (Partlow et al., 1996). Lack of proper training design not only wastes time but also adds to the company's expenses (Tsaur & Lin, 2004). The trainees should be equipped with some skills, as well as a desire to learn, in order to have a successful training and competency in their work performance.

- **Training Delivery**

After the training design is established, then the actual delivering of training begins. In order to guarantee that the training fits the defined needs, it is normally advised the training to be pilot-tested or delivered on a trial basis Mathis and Jackson (2016). According to Mathis and Jackson (2016), there are two methods to deliver training. Training delivery which is internally conducted to the organization (like Traditional classes, On-the-job training, Self-guided training at company, portal Mentoring/coaching, Job shadowing, Developing teachers internally, Cross training, Training projects, Group-based classroom) and the other hand, training delivery method which is External to the Organization (these include: Third-party delivered training, Web conferences, Training at outside location, Podcasts, Educational leave, Blended training, and Teleconferencing). Training delivery styles have a lot to do with training and Development. It is well worth that workforce become more responsive and conversant as a result of the training delivery manner (Michael, 2000). If a trainer did not produce in a large manner and was also unable to attract the interest and attention of the trainees, it was evident that they he/she spoiled his/her time. As a result, a trainer should use the most effective method possible to capture the attention of the trainees. The HR Department must make certain that the training session attracts the trainees' attention. The style in which a training program is delivered is an important factor to consider (Carlos, 1995). However, if training is not delivered in an appropriate style or engaging its audience, the significance of the training is lost (Phillip and Eves, 2005). It is the HR

department's responsibility to make sure that the delivery style used in trainings attracts the trainees' interest.

- **Evaluation of Training**

This stage is crucial because it deals with evaluating training outcomes by comparing the post-training results to the expected training objectives by the managers, trainers and trainees. Mostly, training is carried out with little consideration given to measuring and evaluating of its effectiveness at later times. Mathis and Jackson (2004) suggest that evaluation after training is essential since training is both time-consuming and costly.

5.2. EMPLOYEES PERFORMANCE

Employee performance was defined as the combined output and effort of employees to achieve the specific goals set by an organization in a given period of time (Pigors & Mayers, 1969), whereas performance referred to the achievement of responsibilities in terms of process, results, relevancy, and success. Employee performance exhibited an increase in production with the excellent utilization of new technologies with the assistance of highly aggravated staff (Al-Omari, Alomari, & Aljawarneh, 2020). According to (Waters, 1992), company managers were responsible by doing every attempt for ensuring that organizations reach high performance levels. Managers used to establish high work standards for individual employees in order to assess their performance and improve the organization (Buchanan & Badham, 2020). Employees' performance is critical to the organizations in order to achieve their organizational goals. Employees play key role in the efforts to achieving these goals.

6. METHODOLOGY

A descriptive research design was adopted in this study to establish the association between training & development and employee performance. The sample size of the study was 96 employees from the commercial banks in Mogadishu, Somalia. The responses from the respondents were gathered through a 5-point Likert scale questionnaire (e.g. 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree=5). The survey instrument that was adopted in this study was examined for reliability and internal consistency by using Cronbach's Alpha. The study had three independent variables which encompass training & development, training design

and training delivery style and employee performance as dependent variable which is being influenced by mentioned independent variables.

Table 1: Reliability Statistics for the instrument tested

Sr. No.	Variables	No. of items	Cronbach's Alpha
1.	Training & Development	5	0.79
2.	Training design	6	0.77
3.	Training delivery style	6	0.85
4.	Employee performance	6	0.84

As shown in the table 1 above, the Cronbach's alpha for training and development was 0.79. The reliability test score for training design was 0.77, whilst the Cronbach's alpha result of training delivery style was 0.85 which is the highest score among all other independent variables and the reliability test score of employee performance was 0.84. After measuring all variables of this study (training & development, training design, delivery style and employee performance), the Cronbach's alpha was found to be in the range of 0.77 and 0.85. As stated by Zikmund, et al. (2009), reliability scales with a coefficient alpha score that is greater than 0.70 was regarded to have a good reliability. Based on the above test results, all variables scored acceptable and reliable Cronbach's alpha scales.

7. DATA ANALYSIS

Table 1: Demographic characteristics of the respondents

Sr. no.	Variables	Values	Frequency	Percent (%)
1.	1 Gender	Male	60	62.5
		Female	36	37.5
2.	2 Age	18-25	17	17.7
		26-33	47	49
		34-41	25	26
		42-49	5	5.2
		Above 50	2	2.1
3.	3 Qualification	Secondary	5	5.2
		Diploma	1	1
		Bachelor	77	80.2
		Master	13	13.5
4	4 Experience	1 – 5 years	26	27.1

4.		6 - 10 years	43	44.8
		11 – 20 years	17	17.7
		20 years and above	10	10.4
5.	5 Position	Managerial	27	28.1
		Non-managerial	69	71.9

The first category of table 1 is gender distribution of the respondents. The table showed that 60(62.5 %) which is the majority were male while 36(37.5%) were female respondents. The second variable showed in the table was age distribution. According to the table 17(17.7 %) of the respondents were aged between 18-25 years, 47(49%) were aged between 26-33 years, 5(5.2%) were aged between 34-41, and the remaining 2(5.2%) were aged 50 years and above. The third variable showed in the table is qualification of the respondents. As shown in the table, 5(5.2%) were secondary level. 1(1%) had diploma, 77(80.2%) had bachelor degree and 13(13.5%) were master degree level. Another variable which was presented in the table was experience. The table presented that 26(27.1%) had experience between 1–5 years, 43(44.8%) had experience between 6-10 years, 17(17.7%) had experience level between 11–20 years, while 10(10.4%) had experience level of 20 years and above. The table also showed the position held by the respondents of this study. As indicated in the table 27(28.1%) were managerial staff, and 69(71.9%) which the majority had positions which are non-managerial employees.

Multiple Linear Regression

After data collection, the study used regression statistics to determine correlation among variables. Table 2 below presents the model summary of the independent variables and dependent variables.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.802 ^a	.644	.632	.61962

a. Predictors: (Constant), Delivery style, Training & Development, Training Design

The table above showed summary of the regression model. It presents that the empirical relationship between the variables measured which are the independent variables (Training & development, training design, training delivery style) and the dependent variable (employee performance). The model derived, R-coefficient of 0.802 which measures the correlation between the independent variables and the dependent variables for this model. So this indicates that there is a strong positive relationship between training & development and employee performance.

The model above also reveals R-square of 0.644 which indicates that 64.4% of the effects or changes in employee performance is caused by the independent variables Training & development, training design and training delivery style.

Table 3: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	63.866	3	21.289	55.450	.000 ^b
Residual	35.321	92	.384		
Total	99.187	95			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Delivery style, Training & Development, Training Design

The table above illustrates the analysis of variance (ANOVA) results. The results of the table indicate that F-statistics 55.450 with ($p < 0.01$). Therefore, this result implies that all the independent variables bring about a simultaneous significant effect on the dependent variable of employee performance.

Table 4: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
1 (Constant)	.105	.278		.379	.706

Training	.452	.083	.440	5.457	.000
Design	.257	.110	.224	2.345	.021
Delivery	.282	.099	.261	2.864	.005

a. Dependent Variable: Employee Performance

Table 4 above presents the results of the coefficients of the regression model. The results of the first hypothesis indicate that Training & development positively predict employee performance, standardized B = .440, p = .000 (p < 0.05). This result reveals that the performance of employees who gets trainings increased significantly by 44%. The t-value is 5.457 > 1.96 that represent training as a good predictor for measuring the performance of employees. The results the second hypothesis also present that training design has significantly positive influence with the performance of employees, standardized B = .224, p = .021 (p < 0.05). This means that employee performance will be increased by 22.4% if training is designed properly. The t-value is 2.345 > 1.96 that represent training as a good predictor for measuring the performance of employees. The findings of the third hypothesis show that training delivery style also positively predicts employee performance with standardized B = .261, p = .005 (p < 0.05), which means performance of employees will 26.1% significantly be higher if the training is delivered in the appropriate methods. The t-value is 2.864 > 1.96 that represent training as a good predictor for measuring the performance of employees.

Table 5: Coefficients of t-statistics

Hypotheses	Constructs	T-statistics	P-values	Remark
H _{1a}	Training & Development → Employee performance	5.457	0.000	Accepted
H _{1b}	Training design → Employee performance	2.345	0.021	Accepted
H _{1c}	Training delivery style → Employee performance	2.864	0.005	Accepted

8. DISCUSSION

The main objective of this paper was to investigate the effect of training and development on employee performance in the banking sector in Somalia. The results of this study showed that training & development has a strong positive and significant effect on performance of

employees. This proves that the more trainings are provided to employees have an impact on improving their job performance. It means that if trainings are given to employees on regular basis, they will be able to deliver higher performance. On the contrary, if training programs are conducted rarely by the superiors, then the performance of the employees will be lower. These results agree with those of Younas, W., Farooq, M., Khalil-Ur-Rehman, F., & Zreen, A. (2018), who studied the impact of training and development on employee performance in banking sector of Pakistan, they concluded their findings that that there is a significant positive association between training and development and employee performance. They revealed that training and development leads to improved performance of employees. Similarly, the studies by conducted by Asfaw, A. M., Argaw, M. D., & Bayissa, L. (2015), Quartey (2012), Arwab, M., Ansari, J., Azhar, M., & Ali, M. (2022), Ampomah, P. (2016). have concluded that training and development have a positive relationship with employee performance.

The results also showed that there is a significant positive correlation between training design and employee performance. To support this result, Kashif, A. R., Shafiq, M., Tahir, A. H., Wahid, S., & Ahmed, S. (2020), found that training design has a positive correlation with organizational performance with a mediating variable of employee performance. According to Khan, R. A. G., Khan, F. A., & Khan, M. A. (2011), Training design has significant effect on the organizational performance. It is imperative for any organization to design appropriate and effective training (Michael Armstrong, 2000).

The results also showed that there is a significant positive correlation between training delivery style and employee performance. The findings of this study are in accordance with the findings of previous studies Braga (1995) who asserted that the training delivery style is one of the crucial parts of the training and development program. Similarly, Ahmad, N., Iqbal, N., Mir, M. S., Haider, Z., & Hamad, N. (2014), Woldeyohannes, B., & Alebachew, T. (2020), Kashif, A. R., Shafiq, M., Tahir, A. H., Wahid, S., & Ahmed, S. (2020), have concluded their studies that there is a significant positive relationship between training delivery style and employee performance.

9. CONCLUSION

This study was carried out to investigate the effect of training and development on employee performance in banking sector. The findings of the study revealed that training and development

has a significant positive relationship with employee's performance. However, the study examined three independent variables which encompass training and development, training design and training delivery style and they were all found to be significant and have a positive effect on employee's performance. The paper identified the necessity of regular trainings to be given to the employees to equip them with new and updated knowledge and skills, like problem solving and customer service skills that are imperative in improving and increasing the quality of their job performance that results from a potentially fewer mistakes. Through giving trainings and developing employees, organizations will be able to easily find employees who can fill key positions if other employees leave from the organization.

10. RECOMMENDATIONS

In view of the findings of the study and the conclusions arrived at, the following recommendations were made:

- Organizations should put training in their strategic plans and make it obligatory for every employee and provide training to their employees adequately and on a regular basis. So organizations that do not give regular trainings to their employees will fail because of the poor performance from their employees and their staff will not be able to keep adapting with these continuously changing work environments.
- Training should be organized and designed according to training needs assessment in place and it should be delivered with the appropriate training method. When training is going to be designed the management of the organization should consider carefully how this kind of training is applicable to the actual jobs of the employees.
- Finally, the study recommends employees to conduct a self-assessment to identify their strengths and areas where they need for improvement. Employees should also be given feedback after the training program to explicitly understand areas they need to improve in order to increase their performance.
- As the scope of this study was limited to commercial banks in Mogadishu, Somalia, further research should on other industries in the country in order to identify whether the need the same attention.

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