

## THE IMPACT OF TRAINING ON BANKS EMPLOYEE PERFORMANCE

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**Abstract:** The main aim of conducting this research work is to explore the impact of Training on Employees Performance in the banking industry in Palestine. The Data for this study were collected from the permanent staff working in banks in Palestine through a questionnaire designed to achieve the objectives of this study as the main instrument to gather the primary data; 10 banks have been selected for this purpose. The result shows that there is a significant relationship between Training Material and Employee Performance, and also a significant relationship between Training Delivery and Employee Performance, while the study revealed that there is no significant relationship between (Training Design and Training Content) and Employee Performance. The researcher recommended banks to focus on giving useful and easy to read and see the material, handouts, and activities in training. Moreover, Banks should consider focusing on training that best helps employees in applying and learning various types of knowledge and skills, providing clear instructions for all activates, and providing trainings with reasonable time duration.

**Keywords:** instructor-led training, virtual instructor-led training, e-learning, blended learning

### 1. Introduction

Nowadays, we see that every organization has a critical issue to deal with which is the best way to manage its human resources. It is a must for organizations to increase the employee's productivity and efficiency level to maximize their work outputs (Ayman, 2016). The crucial issue with any organization is to maintain its survival among the massive competitiveness in the market; which it comes from its ability to train the human power to be more, inventive, innovative and creative; these features will enable the organization to enhance its performance which leads to raising its competitive advantage among other rivals. (Lawan, 2018). Furthermore, human resources considered a main strategic resource to create a sustainable and competitive advantage (Sekantsi, 2018).

So, organizations encouraged to focus on training their employees because it is one of the most important ways to equip them to be aligned to work incentives and enhancing their work performance to a higher level (Bhat, 2017). Organizations need to know that the common evidence about knowledge growth in the business world can't be ignored, they need to reserve a place at this fast pace. It is important to know that this growth didn't bring by either production factors or technology while it evolved through the development of human resources in the organization (Engetou, 2017). Moreover, it is a must that organizations need to enhance the career performance for its employees by implementing specific, specialized, adequate and well-organized training programs; these movements considered the most important step that organizations need to achieve.

This study investigated different factors that influence employee's performance; but training still the main pillar that is significantly predicting employees' performance, it enhances their capabilities, capacities, competencies and their recognition for their works and duties (Kenny, 2019).

Training defined as an organization's efforts has been initiated to boost the learning level among employees, and the other side which is the development, it defines as an effort that focuses on broadening and improving the employee's skills for upcoming responsibility (Afroz, 2018). Training considered the main reason behind employees' development and growth in work, and it is responsible in creating positive work attitudes and better behavior in the work atmosphere, and we should not forget that training is not a prestigious tool used to improve the corporate image; on the contrary, it is highly associated with work efficiency and effectiveness

which leads to higher work productivity (Kumar, 2016). The main objective of the training is to boost the individuals and the organization's performance; that's why organizations need to concentrate their efforts on, sometimes their employees left behind the job goals and objective because they are not well-equipped to handle these objectives and achieve it. Zafar (2017) expressed that training is a systematic method depends on analyzing work progress; assigning the work goals and milestones, in other words, what owed to be done to achieve higher performance that meets the expected organization performance level.

The significance of this study is to discover the associated relationship between employees training and work performance; it is most demanded issue by organizations managers because current trends in business require higher work efficiency, more accuracy and effective work processes and procedures which are associated with time and cost reduction in different work roles and processes; it is the only method to achieve these goals through designing, developing and deploying the best in class training programs and to deliver it to the involved employees (Salah, 2018). The employees became more interested in their work when the organization introduce various training programs; they will have the passion to raise their knowledge about their work tasks; it will help them to gain more work incentives and promotions; on the other side, training has a significant impact on employee's commitment and their performance (Bhat, 2017).

## **2. Literature Review**

### ***Training***

Authors and human resource management experts have different and various definitions of training in Literature. According to Donkor & Banki (2017) training as a concept leads to human development and human resources is the key pillar for all organizations. For Ibrahim et al., (2017) training is the key tool that helps the organization in achieving the highest work performance.

Singh (2017) found that training is crucial and key tool to enhance the human power performance and it will increase the organization overall worth; but the most important hint must be taken in consideration that the organization must balance between training value and the expenses, the findings from this study show that the training impact is varied according to different industries.

Effective training plays a significant role in an organization through creating the required and the most competitive competencies required for the employees and the organization at all to accomplish and being pioneers in their work tasks, moreover; it has a significant impact on the organization structure (Scettri, 2019). Kumar, Anitha (2016) stresses that Training is a development tool combined from skills, attitudes, and knowledge of employees to perform their work in the right manner.

### ***Training Factors***

Training Delivery classified through five different categories such as, instructor-led training (ILT), virtual instructor-led training (VILT), E-learning, mobile learning, and blended learning which is a mix of these types of training based on the organization training objectives (Gautam, 2019). Training Design factors are course lifetime, needs, participants, intangibles, evaluation, resources, learning objective, and content (MIT, 2019a). Furthermore, Training Content concerned about the training topic itself; if its relevant, timely, and up-to-date content, how long this content will be relevant (MIT,2019b). Training Materials defined as recorded or printed information used in training such as; training activities, warm-up activities, flashcard, games, paper clips, etc. (Briscoe, 2019).

### ***Important of training***

According to Duron et al. (2018), Recently organization heavily invested in training which leads to a competition among these organization about the best practice in training that influence their success and increased their performance in the market, while Daudt, Archangelo & Duquette ( 2017) investigated that training must be a continuous process because of the rapid technological enhancement in the organizations systems which is the success edge for them. Rutledge & Cathcart (2019) claimed that the training and employee development is useful for both individuals and organizations at all; when the organization focuses on employee training and development it will raise the organization's profitability either tangible or intangible profit. Furthermore, training helps employees in their decision making process and solving the work problems

in an effective views, and also it helps them in achieving higher self-confidence and development, it also helps in decreasing the work stress, tension, managing conflicts, and in the conclusion increasing their satisfaction in their jobs and being more loyal (Motlokoa, 2018).

(Afroz, 2018), (Bhat, 2017) revealed that training is one of the most effective tools and a fundamental one to achieve the organizational objectives and goals and it will help in achieving the aimed performance and higher work productivity.

### ***Employee performance***

Anitha & Kumar (2016) said that the key part of any organization is Employees; the management should invest in this human power as they are the reason behind its success, while Safitri & Lathifah (2019) defined employee performance as achieving and accomplishing specific and well-determined tasks in the organization this happened through their efforts in doing their tasks, all of these tasks will be measured according to well-planned and predefined goals, objectives, measures and KPI's. For Francis & Angundaru (2017) Performance combines from results and behavior, they clarify that Behavior originated from employee performance; and it is a must to transform their performance into action without keeping it as a plan.

### ***Impact of training on employee performance***

According to Brittany et al., (2017); training took this importance in human resources management because of its significant positive relationship with employee performance, however, training considered as a fundamental tool in the organizational capacity building to improve its performance and achieving its goals (Sasidaran, 2018).

Kumar (2016) concluded that organizations that pay more attention in training and developing their employees in planned way, it will enable the organization top managers in gaining the confidence from their subordinates, while Afroz (2018) explored that training and employees development is the organization strategic instrument to improve their performance through acquiring and equipping employees with the cutting-edge skills and knowledge along with the right organization attitude by the best practice to do their tasks within the planned goals and objectives, According to Motlokoa (2018) organizations must take an initiation in enhancing employees skills and knowledge through planned trainings to achieve the planned performance expected from their work performance, the most interested results from this study is training has strong impact on employees performance along with it is highly associated with their satisfaction in work and enhance their motivations.

## **3. Materials and Methods**

### ***Data collection and reliability test***

The authors used primary and secondary data resources, the primary resource through a well-structured questionnaire which consists of three parts, the demographic dimension, employee performance (Dependent Variable) and training (Independent Variable) while the secondary data resources are previous literature, journal articles, websites, and books. The authors used Cronbach's alpha equation test to check the instrument reliability; the calculation revealed that Cronbach's alpha is greater than 0.70 which is accepted.

### ***Population and Sampling Method***

In this research work that the authors chose the banking industry in Palestine, a simple random sampling technique used for this purpose, around 290 employees participated in this work.

### ***The Study Model***

The authors in this research work aim to explore the impact of training on employee's performance, so he adopts the following conceptual structure based on the previous literature that constructs the following model.

Table 1. Study Variables

Variable	Type	Sub-Dimensions
Training	Independent	Training Design Training Content Training Delivery Training Material
Employee Performance	Dependent	----

Source: Researchers

#### 4. Results

##### Study Hypothesis # 1

H0-1: There is no significant relationship between Training factors and Employee Performance in the banking industry in Palestine.

Table 2. Correlations Coefficients (R) between Training Factors and Employee Performance

	Employees performance	Training design	Training content	Training delivery	Training material
Employees performance	1.000	.603**	.595**	.634**	.756**
Training design	.603**	1.000	.578**	.665**	.630**
Training content	.595**	.578**	1.000	.530**	.617**
Training delivery	.634**	.665**	.530**	1.000	.612**
Training material	.756**	.630**	.617**	.612**	1.000

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Own

The above table indicates the Pearson Correlation Coefficient between the study variables (Employee Performance) as the dependent variable, and (Training factors) as the independent variable, the results show that there is strong positive relationship between employee performance and all the training factors, the highest relationship exists between employee performance and training material where (R=.756, p<0.01), and the second factor that have the highest impact on employee performance which is the Training Delivery.

##### Hypothesis # 1 Discussion

The authors concluded that the most important factors affecting the efficiency and the effectiveness of training in an organization which is the training delivery and training material. Training delivery associated with how trainees engaged in training and understand the training materials such as; in-person or virtual training, interactive learning guides, video simulation, group participation, hands-on activities, role-plays and mentor shadowing; while training materials such as questionnaires, discussion questions, exercises, pre-tests, and activities, etc.

##### Study Hypothesis # 2

H0-2: There is no significant influence of Training factors on Employee Performance in the banking industry in Palestine

Table 3. ANOVA and R-square for Employee Performance Econometric Model

Model	Sum of Squares	df	Mean Square	F	Sig.	R	R Square	Adjusted R Square
Regression	12.288	1	12.288	62.589	.000 <sup>b</sup>			
Residual	9.227	289	.196			.756a	.571	.562
Total	21.515	290						

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Training Design, Training Content, Training Delivery, Training Materials.

Source: Researchers

The above table shows that there is an existed relationship between the study variables; the independent variable (Training Factors) contributes in predicting employee performance,  $R^2= 0.571$  which mean that training factors explain 57.1% of the variation in employee performance, while  $R=.756$  which indicates that there is a significant strong relationship between the independent and the dependent variables.

Table 4. OLS Summary

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.303	.312		4.178	.000
Training Material	.477	.094	.588	5.105	.000
Training Delivery	.208	.087	.274	2.383	.000

Source: Researchers

Multiple regression analysis used to test if training factors significantly predict employee performance, the results as revealed from table 4 indicates that the two variables (Training Material & Training Delivery) explained 57.1% of the dependent variable variance (Employee Performance), the below equation shows the econometric equation in this study.

$$\text{Employee Performance} = 1.303 + 0.477 \text{ Training Material} + 0.208 \text{ Training Delivery}$$

### Hypothesis # 2 Discussion

The above equation means that there is an existing and direct impact between Training Material and Training Delivery with employee performance. These two factors have the most significant impact on predicting the variance in Employee Performance, it means that organizations and companies should focus on these factors to enhance the employee's performance level and improving the organization overall performance.

### 5. Conclusion

The study shows that there is no significant relationship between training content and design with employee performance; while it shows a clear significant and direct relationship between training material and delivery with employee performance.

Training Delivery and Materials have the most influencing impact on employee's performance. The authors in this study investigated the main reasons that have the direct impact on Banking industry employee's performance from the employees' point of view, it helps in revealing the critical success factors that enhance and improve the employee performance in these sectors.



## 6. Recommendations

The study recommends that employer should consider focusing on giving useful and easy to read/see material, handouts and activities in training and also the employer should consider focusing on training that best help employee in learn and apply various types of skills and knowledge, and provides clear instructions for all activates, besides, trainings with reasonable time duration, delivering training in the best way that fit employees capabilities and capacities to gain more competencies and understanding in achieving the training goals and objective which lead to higher work performance in the organization.

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