



Impact of employee training and development on institutional productivity: A case of etex group Nigeria

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Abstract

Training has been defined as a process whereby an individual acquires job-related skills and knowledge. The world's competitive and dynamic market has found training a veritable instrument that people an organization to an enviable height. Available literature has shown that organizations investing in effective training and development of human capital resources tend to achieve both short and long-term benefits. Employees need to update their knowledge and skills to function optimally in today's organizational, technological, and social dynamics. It is a truism that the root vital asset of any organization under stiff and dynamic competition is its human capital. Training and development are the instruments that aid human capital in exploring their dexterity hence very vital to the productivity of organizations, workforce.

Keywords: employee training, employee development, employee productivity

Introduction

For organizations to survive the turbulent, competitive, and dynamic market, they must pay serious attention to their human capital resources. Organizations with a productive workforce (i.e. effective and efficient employees) hardly experience insolvency. This organization should have employees that have the capability of adjusting to the swift business environment. Paradise (2007) ^[17] in his report stated that U.S organisation alone spent more than 126 million U.S dollars annually on employee training and development.

The success of organizations is however dependent on its knowledgeable, skilled as well as experienced workforce. Therefore, to maintain sustainability, organizations must see continuous employee training and development as invaluable. Training and development are very essential at all employee levels, due to the reason that skills erode and become obsolete over some time and must be replenished (Nishtha and Amit (2010).

Additionally, employees who are more productive can obtain better wages/ salaries, better working conditions, and favourable employment opportunities. Moreover, higher productivity tends to maximize organizational competitive advantage through cost reductions and improvement in high quality of output (Baily *et al.*, 2005; Hill *et al.*, 2014; Wright, 2004) ^[11]. All these benefits have made employee productivity worthy of attention. Therefore, looking at its antecedents is very important to ensure organizational survival and long-term success

Although several researches have emphasized about the significance of employee work engagement in driving performance and positive business outcomes, there are only few empirical evidences to support such claims (Saks, 2006) ^[20]. It is also noted that engagement should to be considered as a key organizational strategy that involves all the levels of an organization (Frank *et al.*, 2004). Saxena and

Srivastava (2015) reported that work engagement has become one of the main challenges/activities that need to be well managed to fulfil organization objectives. They also demonstrated that there is a need to test its effect on performance outcomes

As such, the definition of employee productivity has been hard to conceptualize and measure. For instance, the common definition of productivity has mainly emphasized on the ratio between input costs and output value, despite existing associated implications that it could depend on the nature of business. Overall, there appears to be an ambiguity in conceptualizing, measuring, and testing the antecedents of employee productivity. Hence, this study aims to test the effect of work engagement on employee productivity in Malaysian higher education sector to cover existing gaps in the literature. The next section presents the literature review concerning previous research on employee productivity and work engagement. It also explains the possible link between both variables.

Research problem

This study begins from the realization of the need to effectively administer the effect of training on employee performance. Training is a systematic process to enhance employee's skill, knowledge and competency, necessary to perform effectively on job. Overall, training impacts organizational competitiveness, revenue and performance. Unfortunately, most of the government, private organization and international organizations are not recognizing the importance of training in order to increase their employee's productivity and when the economy slows or when profits decline, many organizations first seek cuts in their training budgets. This will lead to high job turnover then increase the cost to hire new employees which low down the organizational profit ability. Past researches proved a positive link between training and employee performance,

as training brings benefits for the employee along with for the firm by positively impacting employee performance through the enhancement of employee's competencies and behaviour. Firms that focuses on shareholders and customer satisfaction realized the importance of investing in training, and thus recognizes the worth of employee development (Evans and Lindsay, 1999).

Objectives of the Study

The main aim of this study is to investigate the perceived effect of training and development on employee's productivity among Etex Group Nigeria

However, the specific objectives of the study are as follows

1. To examine the effect of training method on employee's productivity among Etex Group Nigeria.
2. To determine the effect of training design on employee's productivity among Etex Group Nigeria.

Hypotheses of the Study

To achieve the objectives of this study, the following three hypotheses were formulated:

H1: There is significant and positive effect of training method on employee's productivity among Etex Group Nigeria.

H2: There is significant and positive effect of training design on employee's productivity among Etex Group Nigeria.

Significance of the Study

The present research contributes to the empirical literature on training and development and Employee's productivity among Etex Group Nigeria, as it examines the effect of training method, training design and training delivery style on employee's productivity. The purpose of this study is to help readers to have a better understanding and use it as a guide or information to increase the employee's productivity regarding on the effect of training and development provided by organisations. It provides detailed information on the effect of training method, design, and delivery styles provided by organisations towards employee performance. This study is important because today's environment has placed increasing pressure on organizations both public and private industry to accomplish more with less. Meeting this challenge through higher productivity is possible if the individual workers can be properly motivated. In order to motivate employees in the organization, the management must understand the need to invest in training and development. Finally, this research work is significant not just Emenite Limited, but to higher institutions in general. Therefore, the researcher assumes that the result obtained can be used in guiding the management of Emenite Limited, streamline and improve where it is necessary on their training programs, which will appeal and empower academic staff's in numerous undertaking and result in yielding positive result towards their performance.

Review of Related Literature

One major area of the Human Resource Management function of relevance to the effective use of human resources is training and development. In order to have positive results in company's scoreboard than employees must be considered one of the most valuable assets.

Employee skills and motivation are critical for organizational success. This has always been true, but the pace and volume of modern change is drawing increased attention to the ways that human resource development (HRD) activities can be used to ensure that organization members have what it takes to successfully meet their challenges (Jon M. Werner and Randy L. DeSimone, 2009)^[12]. According to Casse and Banahan (2007)^[5], the different approaches to training and development need to be explored. It has come to their attention by their own preferred model and through experience with large organizations. According to Davenport (2006), mentioned in his recent studies that it's easy to implement strategy with the internet supported software. Some of the Training theories can be effective immediately on the future of the skill and developments. The "content" and the "access" are the actual factors for the process. It is a representation itself by the Access on main aspect what is effective to the adopted practice in training development. As per the recent theories to access the knowledge is changing from substantial in the traditional to deliver the knowledge for the virtual forms to use the new meaning of information with electronic learning use. There is a survey confirmation for using classroom to deliver the training would drop dramatically, (Meister, 2001)^[16]. A manager is that what the other members of the organization want them to be because it is a very popular trend of development training for the managers in the training for the management (Andersson, 2008, Luo, 2002)^[1]. Most of the managers seem to reject a managerial personality in support of the other truth for themselves (Costas and Fleming, 2009)^[7]. Beardwell and Holden (1993)^[4] argue that the recognition of the importance of training in recent years has been heavily influenced by the intensification of competition and the relative success of organizations where investment in employee development is considerably emphasized. They add that technological developments and organizational change have gradually led some employers to the realization that success relies on the skills and abilities of their employees, and this means considerable and continuous investment in training and development. According to Cole (2002), in his book *Personnel and Human Resource Management*, training is a learning activity directed towards the acquisition of specific knowledge and skills for the purpose of an occupation or task.

Scores of Literature available on training (Cuming 1968, Italey 1949, Dole 1985)^[8] indicate that traditionally, training in an organization involves systematic approach which generally follows a sequence of activities involving the establishment of a training policy, followed by training needs identification, training plans and programs design and implementation, evaluation and training feedback for further action.

There is documented evidence that training activities have a positive impact on the performance of individuals and teams. Training activities can also be beneficial regarding other outcomes at both the individual and team level (e.g., attitudes, motivation, and empowerment). (Herman Aguinis and Kurt Kraiger, 2009)^[10].

Training-related changes should result in improved job performance and other positive changes (e.g., acquisition of new skills; Hill & Lent 2006, Satterfield & Hughes 2007)^[11] that serve as antecedents of job performance (Kraiger 2002)^[13]. Reassuringly, Arthur *et al.* (2003) conducted a meta-

analysis of 1152 effect sizes from 165 sources and ascertained that in comparison with no- training or pretraining states, training had an overall positive effect on job-related behaviors or performance (mean effect size or $d = 0.62$). However, although differences in terms of effect sizes were not large, the effectiveness of training varied depending on the training delivery method and the skill or task being trained.

Fewer than 5 % of all training programs are assessed in terms of their financial benefits to the organization (Swanson 2001) [19]. The picture changes among companies recognized for their commitment to training. Specifically, most organizations recognized by ASTD for innovative training programs measure training impact at some level of organizational effectiveness (Paradise 2007, Rivera & Paradise 2006) [17]. Typical organizational performance measures in this latter sample include productivity improvement, sales or revenue, and overall profitability. Overall, research regarding organizational-level benefits is not nearly as abundant as the literature on individual- and team-level benefits. Not only have there been relatively few empirical studies showing organizational-level impact, but those studies that have been done typically use self-report data and unclear causal link back to training activities (Tharenou *et al.* 2007) [20].

Methodology

Major objective of this study is to know the impact of training and development on employee’s performance especially in different age, gender and designation groups. The purpose of this study is to investigate the perceived effect of training and development on employee’s performance among academic staffs Etex Group Nigeria. The study adopted causal research design. Close-ended structured questionnaire was adopted as the method of data collection and sample size was captured using research advisors sample size determination out of the population of Etex Group Nigeria ranging from Senior to Junior workers. Multiple regression was adopted to test the hypotheses of the study. Content validity was adopted for the study to measure the degree to which the sample of the items represents the content that the test is designed to measure the Population.

Findings

Finding 1. Age Based Results

Age group was divided into two categories via 35 years and above called senior workers and below 34 and below called junior workers. Objective of this is to find out if there is difference in opinions between juniors and seniors.

Table 1: Age Based Results (Juniors vs. Seniors)

Group Statistics					
Impact of training employees on performance	Group	N	Mean	Std. Deviation	Std. Error Mean
	1.00*	65	4.1231	.39805	.04937
	2.00**	145	4.1776	.42585	.03537

*Junior Group **Senior Group

According to the means from table 1, senior staff (31 years and above) have a slight bigger mean (4.1776) which means senior junior are more confident that training makes an impact on employees’ performance. Similar results occurred with the junior group (30 years and below) with the mean

(4.1231).

Finding 2. Gender Based Results

Table 2: Gender Based Results (Male vs. Female)

Group Statistics					
Impact of training on employee’s performance	Gender	N	Mean	Std. Deviation	Std. Error Mean
	Male	113	4.1128	.42651	.04012
	Female	97	4.2165	.40122	.04074

From the table 2 we can see that female group have bigger mean which means that females are more confident that training makes an impact on employee’s performance but still males are also confident with slight smaller mean and overall results are that both genders think that training makes an impact on employee’s performance.

Finding 3. Total Life Experience

Table 3: Total Life Experience (0-10 years vs. 11-25 years)

Group Statistics					
Impact of training on employee’s performance	Group	N	Mean	Std. Deviation	Std. Error Mean
	1.00*	181	4.1768	.41811	.03108
	2.00	29	4.0603	.40452	.07512

From the table above we can see that those with experience from 0-10 years agree more on the notation that training have an impact on employees performance while also with mean 4.0603 group from 11-25 years of experience are agreeing on the same question so overall results are that both groups have positive answer on this notation.

Finding 4. Designation Based Results

Table 4: Designation Based Results (Owners vs. Directors)

Group Statistics					
Impact of training on employee’s performance	Designation	N	Mean	Std. Deviation	Std. Error Mean
	Owner	23	1.1391	.15297	.03190
	Director	10	1.0900	.08756	.02769

From the table 4 directors are more certain that training programs makes an impact on employee’s performance and results are almost 100% positive while owners have slight less positive percentage but still, they agree that there is an impact.

Finding 5. Correlation Analysis (Training and Employees Performance)

Hypothesis: Ho – There is no significant and positive effect of training method on employees productivity among Etex Group Nigeria.

Table 5: Training and Employees Performance Correlation Analysis

Correlations			
		Training	Employee’s Performance
Training	Pearson Correlation	1	.782**
	Sig. (2-tailed)		.000
	N	210	210
Employee’s Performance	Pearson Correlation	.782**	1
	Sig. (2-tailed)	.000	
	N	210	210

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

As we can see from the table 5 that there is a positive correlation between the training and employee’s performance (Pearson Correlation .782) which means that 78 % training affects employees’ performances and 22 % goes on other factors. It is a high correlation which explains us that employees really believe in training programs and that training programs are best for their performances. From the Figure 1 you can see that dots are mostly in line in the center going from lower left to upper right which is a clear proof of a positive correlation between training and employee’s performance. At the end, we can conclude that we reject Ho hypothesis and accept Ha stating there is supported relationship between training and employee’s performance.

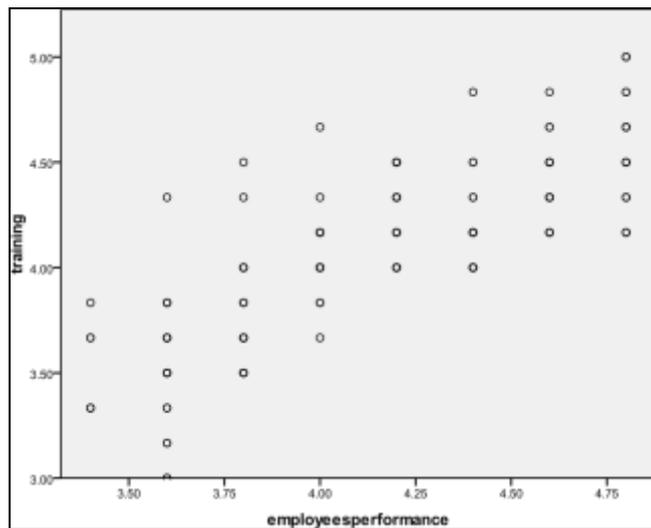


Fig 1: Training and Employees Performance Correlation Analysis

Finding 6. Correlation Analysis (Development and Employees Performance)

Ho – There is no significant and positive effect of training design on employee’s productivity among Etex Group Nigeria.

Table 6: Personal Development and Employee’s Performance Correlation

Correlations			
		Personal development	Employee’s performance
Personal development	Pearson Correlation	1	.538**
	Sig. (2-tailed)		.000
	N	210	210
Employee’s performance	Pearson Correlation	.538**	1
	Sig. (2-tailed)	.000	
	N	210	210
**. Correlation is significant at the 0.01 level (2-tailed).			

From the table 6 we can see that there is a positive correlation between the personal development and employee’s performance which is .538 or 53,8%. So, employees believe that giving them chance to develop personally will give them boost to perform more efficiently. So again, we can conclude that we reject Ho hypothesis and accept Ha stating there is supported relationship between development and employee’s performance.

Conclusion

Training and development ultimately improve not only the productivity of employees but also of the organization. It has rightly been said, employee development is the key to organizational sustainable development. Organizations must have employees who are able to quickly adapt to an ever-changing world market. Companies need to invest in on-going employee training and development in order to both keep employees and be successful. The 21st century will be favorable to those organizations, which are able to learn faster and adapt to changes than their competitors. Training enhances employees’ initiative and quality of work, thereby assisting them to be more committed to achieving the organizational goals and objectives and in turn enhancing employees’ effectiveness within the organization.

Summarily, training and development impacting on employee productivity has not only improve the wellbeing of organizations, but also aid the prosperity of most countries that has put into consideration the design and delivery of training and development of workforce at national level. As the national policies aim to improve nation’s human capital, this optimally in turn results to the economic growth of the nation. However, it is recommended for management of organizations to give training and development of employees a priority in order to get the best out workforce as well as improving the organization’s productivity. Further research studies are also recommended on the training and development of employees in order to have a broader understanding of its valuable impacts.

Limitations

Some of the possible limitations could be that Emenite Limited are not following world trends so owners or managers are not focusing on employee’s satisfaction. In Etex Group Nigeria, it’s not trending to have training programs so results from this survey could be somewhat questionable in some number since managers don’t want to give bad image to the companies. Other limitation was that a lot of companies were not willing to cooperate and to give their contribution to this research. Also, as one of the limitations we can add that it was hard to collect data of many companies within the same business branch, so we have been forced to collect data from some of the company’s branches and from all company sizes.

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