

Impact of Training and Development, training design and on the job training on Employee's commitment in banking sector of Pakistan

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Abstract: *The main purpose of the study is to find out the relationship between training and development, training design and on the job training and their impact on employee commitment. This study is quantitative in nature. There were four main variables in the study i.e. training and development, training design, on the job training (Independent variable) and employee commitment (Dependent variable). Three hypothesis are developed to see the impact of all three Independent variables on employee commitment. Relevant literature about the topics were also studied. The data have been collected through questionnaire. The data have been analyzed through SPSS. This study conducted in banking sector. Two banks were selected National bank and Bank of Punjab in Gujranwala division. The results shows a positive relationship between training and development, training design, on the job training and employee commitment, Regression and correlation were used in the study.*

I. Introduction

In the current scenario, training & Development have tremendous importance for achieving competitive advantage. Human resource is not only considered important but it also serves as a backbone for every organization. Effective training and development is an investment on Human Resource of an organization with both immediate and long-run returns. Every organization wants to improve its performance but it's not possible without Training & Development of employees. Training and Development have impact on employee's skill, knowledge and on performance as well. It means that employees tend to show more interest towards training and development if they find it for their benefit (Gonchkar, 2012).

In Human resource Management, Training and Development is considered as a most effective and modern approach. Training is helpful for an organization in reducing turnover which in result increases employee commitment to the organization. According to (Keep, 2002) training is an essential element for cultural change in an organization, which can be used to enhance employee commitment and to get insight of employees potential

Training plays an important role in the achievement of organization goal by creating interest in workforce (R.J, 2002). In the current era, training considered as very important because it is helpful not only for organization effectiveness but also useful for employees. There are many factors on which employee performance depends but the most important is Training. The employee who receives more on the job training, performed very well because that on the job training enhance his skills.

A person who remains with an organization from a long time is known as a committed employee. There are very few chances that an organization terminate a committed employee. Whenever in an organization prevails a philosophy of commitment, employees becomes committed and turnover rate decreases.

Thus the purpose of this study is to show the impact of training & development, on the job training and training design on the employee commitment.

II. Problem statement

Training of employees is always considered expensive, although now a day's management referred Training as an investment rather than an expense. No one can deny the importance of training and development for employees but training design can enhance knowledge base and skills of the employees. This paper therefore looks at training & development practice in the banking sector of Pakistan and its effect on employees' commitment to their organization, with the supposition that organization which provide training to their employees perform better than those who did not do this. This argument is solid and based on the premise that the 'Training' perceived as a 'gift' from the employers by the employees (Barrtte, 2001)). The effect of such gift according to (Brum, 2010) will motivate employees and erg thoseto exert more effort, Brum further argue in the result of it, they become more committed to the organization. The idea parallels closely to the concept of

reciprocity, that emphasizes that employee will help the organization, because the organization helped to employee (Brum, 2010).

This study sought to analyze the training & Development, training design and on the job training impact on employee commitment in banking sector of Pakistan

Objective of the study:

The objectives of the study are

- To check the training and development impact on employee's commitment.
- To check on the job training on employee's commitment.
- To check training design impact on employee's commitment.

Significance of the study:

Significance of the study is divided into two areas.

First it will helpful for HRM department, manager will be able to understand the effect of training and development on employees. On theoretical level, organization can develop strategies and policies which later helpful for improving employee commitment.

Literature Review:

Training refers to the process of teaching new employees the basic skills they need to perform their jobs. (Dessler, 2007). For employees, training and development not only improves job knowledge but it also leads towards identification of organization goals. Training and development deals with acquisition of knowledge, skills and know-how. According to Sims, Training and development not only improve current job performance but it is also helpful for future needs of employee (Sims, 2002). Emphasis that training focus on current job while development prepare employees for future job.

The most important aspect of training and development process is to improve the performance of individuals who are participating in this process

To investigate the effect of training and development on employee commitment, literature review is carried out.

Employee Commitment:

Organizational commitment is the individual association and identification with a particular organization (Porter, 1997). There is no standard measures which can enhance employee commitment.

Commitment according to (Jaw B., 2004) is not only individual relationship with others but it also activates human mind. New ideas and their implementation would not be possible without commitment (Jaw B., 2004). Real commitment fosters a high level of individual learning, whereby the individual puts the organization's need in front of their own individuals who are committed aligned their efforts with organizational objectives and have shared values (Jaw B., 2004). Learning organization have a culture where employees not only learn but also share information with others. Most academic research on human resource management practices suggested that committed employees not only enhance organizational effectiveness but also create a culture where individuals feel motivated and committed and involved in the organizational activities aimed at achieving organizational goals (Arthur, 1994)

Training design:

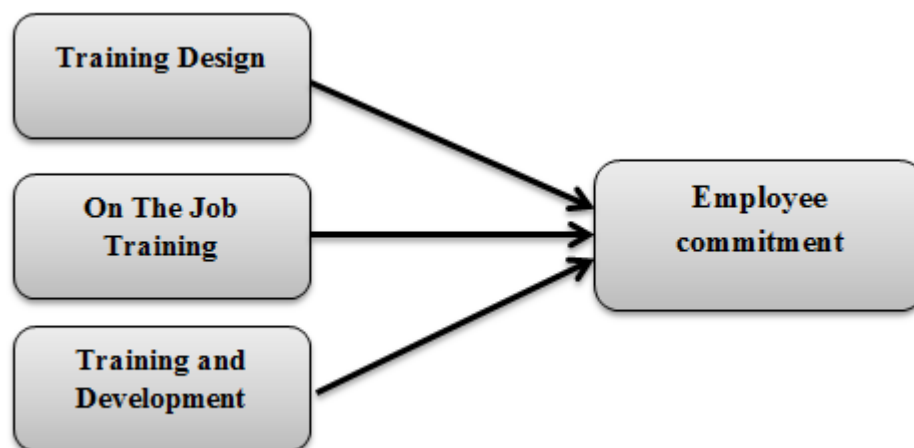
Training need to be designed very carefully (Armstrong, 2003). The training should be designed according to the needs of the employees (Ginsberg, 1997). Organization which designed training in accordance with employee need and also kept in mind the need of the organization gets good results (Partlow, 2001). Well-developed training design enhance employee as well as organizational performance. Training design which is not according to the needs of employees is nothing but waste of time and money (Tsaur, 2004).

On the Job training:

On the job training help employee to improve and get insight knowledge about the job. Individuals always learn in a better way from their own experiences. OJT is also less costly and time saving (Flynn B.B., 2006). It's more effective for an organization to provide on the job training to its employees, because it is less costly and also save time (Taylor, 2004). On the job training provides a practical way of learning to employees (Devine, 2007).

Theoretical Framework:

To implement the study following dependent and independent variables are shown in the theoretical framework. The training & development, on the job training and training design are the independent variable and employee's commitment is the dependent variable. Above mentioned variables have been chosen to see the relationship between these variables.



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Hypothesis:

H1: Training and Development has significant impact on increasing employee commitment to the organization

H2: On the job training has significant impact on increasing employee commitment to the organization.

H3: Training design has significant impact on increasing employee commitment to the organization.

III. Research Methodology

Research paradigm:

The purpose of any research should underline the inquiry mode, hence paradigm of that research. Research on social sciences is mainly based on two main paradigms named positivism or systematic/quantitative approach and constructionism or qualitative approach. Positivism approach emphasizes more on objectivity and knowledge about real world data but it covers both qualitative and quantitative research, distinction can be seen in measurement of variables and in use of methodology (kumar, 2005). The Present study fall in positivism research paradigm as the ontological approach of the research is based upon the acceptance of a single concept as knowledge. The epistemological approach is objective and deductive methodological approach is used. This study is conducted by using questionnaire as a data collection technique and probability sampling was used for drawing sample from population in an unbiased way.

Sampling Design:

Population of this study include employees (management level) working in different public sector banks of Punjab, Pakistan. The banks targeted were include National Bank of Pakistan and Bank of Punjab. Punjab province divided into different clusters due to their geographical locations into 9 divisions (Bahawalpur, Dera Ghazi Khan, Faisalabad, Gujranwala, Lahore, Multan, Rawalpindi, Sahiwal, and Sarghoda). Then used simple random sampling, Gujranwala division cluster was selected. This cluster was further divided into six different strata's on the basis of their districts. So, the Gujranwala division is administratively subdivided into Sialkot District, Gujranwala District, Gujrat District, Mandi Bahauddin District, Hafizabad District, and Narowal District. By using disproportionate stratified random sampling, 6 branches of each bank from each district were targeted. And from each branch of bank, total 4 employees were targeted. So the total sample size of this study was 336. The response received was 280 (83 percent).

Data collection methods:

For present study questionnaires used as data collection method. Questionnaires were personally administrated as well as through e-mails.

Questionnaire:

The proposed questionnaire includes the following variables:

Training design:

Training design was measured by adopting scale developed by (rahaib, taimoor&umer 2005).

On the job training:

On the job training was measured by adopting scale developed by Rahaib, taimoor&Umer 2005).

Training and development:

Training and development was measured by adapting scale developed by (CargiBulut& Osman Chula 2010).

Employee Commitment:

Employee commitment was measured by adapting scale developed by (Richard Robin & Lois Buttler 1992).

Data analysis:

Table A-1 shows that among 280 respondents 214 (76.4%) respondents were male and 66 (23.6%) were female. Out of all 209(74.6%) were married and 71 (25.4%) were unmarried. Study was conducted on banking sector, in which 17 (6.1%) employees were junior officers, 100 (35.7%) were officer grade 3 level employees, 25 (8.9%) were officer grade 2 level employees, 20 (7.1%) employees were officer grade level 1, 76 (27.1%) employees were branch managers at bank of Punjab and national bank of Pakistan and 42 (15%) employees were operational managers at banks. Targeted banks were public and employees were having experience from 1 to 20 years, because of public sector banks many employees were having experience more than 20% too. To check reliability of the content Cronbach's Alpha was used. In A-2 table of the appendix, Cronbach's Alpha values are proving the reliability of the constructs, value of alpha was 0.868 and total number of items are 18. Correlation analysis was run to check the relationship strength and table A-3 is proving the positive attachment of variables between training & development, training design and on the job training on employee commitment with the 0.00 significance. For further analysis two sets of multiple regression was run (appendix table A-4) and in ANOVA table significance value is less than 0.05 and model summary table check the strength of relationship between all four variables. Regression table shows that there is a positive relationship between variables but that relationship is not very strong between on the job training, training & development and training design on employee commitment.

IV. Discussion

This study proposed that training and development, training design and on the job training have a positive relationship with employee commitment to the organization. This study shows a positive relationship between variables but strength of relationship is not that high which showed that there are other variables that may increase employee commitment to the organization other than these variables. Training and Development is an important aspect of HRM. It is important for organization to get skilled and capable employees, and employees will be than competent when they have the knowledge and skill of doing the task. Training and Development would provide opportunities to the employees to be more committed to the organization.

Limitations

One major limitation of this study was that it was based only on NBP (National bank of Pakistan) & BOP (Bank of Punjab) and other banks were not included. Another limitation was that due to the time constraint only NBP & BOP of Punjab province were studied.

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Appendix

Table A-1
Data and descriptive statistics

Gender	Male	214 (76.4%)
	Female	66 (23.6%)
Marital status	Unmarried	71(25.4%)
	Married	209 (74.6%)
Designation	Junior officer	17 (6.1%)
	OG3	100 (35.7%)
	OG2	25(8.9%)
	OG1	20 (7.1%)
	BM	76 (27.1%)
	OPM	42 (15%)
Experience	1-5 years	92 (32.9%)
	6-10 years	61 (21.8%)
	11-15 years	27 (9.6%)
	16-20 years	53 (18.9%)
	20 & above	47 (16.8%)

Table A-2

Reliability Statistics	
Cronbach's Alpha	N of Items
.868	18

Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Training_Dev	280	1.00	5.00	4.0304	1.17240
Training_Design	280	.00	5.00	3.9821	1.13893
On_t_Job_T	280	1.75	5.00	4.0893	.72837
Emp_Comitment	280	1.17	4.50	3.0917	.93418
Valid N (listwise)	280				

Table A-3

Correlation Analysis

Correlations					
		Training_De v	Training_D esign	On_t_Job_ T	Emp_Com itment
Training_Dev	Pearson Correlation	1	.869**	.262**	.196**
	Sig. (2-tailed)		.000	.000	.001
	N	280	280	280	280
Training_Design	Pearson Correlation	.869**	1	.164**	.163**
	Sig. (2-tailed)	.000		.006	.006
	N	280	280	280	280
On_t_Job_T	Pearson Correlation	.262**	.164**	1	.157**
	Sig. (2-tailed)	.000	.006		.008

	N	280	280	280	280
Emp_Comitment	Pearson Correlation	.196**	.163**	.157**	1
	Sig. (2-tailed)	.001	.006	.008	
	N	280	280	280	280

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

Regression analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.196 ^a	.039	.032	.91929

a. Predictors: (Constant), Training_Design, Training_Dev

ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	9.391	2	4.696	5.556	.004 ^a
Residual	234.090	277	.845		
Total	243.481	279			

a. Predictors: (Constant), Training_Design, Training_Dev

b. Dependent Variable: Emp_Comitment

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.477	.205		12.082	.000
	Training_Dev	.176	.095	.221	1.860	.064
	Training_Design	-.024	.098	-.029	-.247	.805

a. Dependent Variable: Emp_Comitment

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.157 ^a	.025	.021	.92423

a. Predictors: (Constant), On_t_Job_T

ANOVA^b

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	6.013	1	6.013	7.039	.008 ^a
Residual	237.468	278	.854		
Total	243.481	279			

ANOVA^b

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	6.013	1	6.013	7.039	.008 ^a
Residual	237.468	278	.854		
Total	243.481	279			

a. Predictors: (Constant), On_t_Job_T

b. Dependent Variable: Emp_Comitment

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.267	.316		7.186	.000
On_t_Job_T	.202	.076	.157	2.653	.008

a. Dependent Variable: Emp_Comitment

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.163 ^a	.027	.023	.92335

a. Predictors: (Constant), Training_Design

ANOVA^b

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	6.466	1	6.466	7.584	.006 ^a
Residual	237.014	278	.853		
Total	243.481	279			

a. Predictors: (Constant), Training_Design

b. Dependent Variable: Emp_Comitment

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.559	.201		12.733	.000
Training_Design	.134	.049	.163	2.754	.006

a. Dependent Variable: Emp_Comitment

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.196 ^a	.038	.035	.91773

a. Predictors: (Constant), Training_Dev

ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	9.339	1	9.339	11.089	.001 ^a
Residual	234.141	278	.842		
Total	243.481	279			

a. Predictors: (Constant), Training_Dev

b. Dependent Variable: Emp_Comitment

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.463	.197		12.521	.000
Training_Dev	.156	.047	.196	3.330	.001

a. Dependent Variable: Emp_Comitment