An Analysis of the Effectiveness of Training and Development on the Performance of Organisations - A Case of FBC Bank Limited

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Abstract

Purpose: The purpose of this study is to analyse the effectiveness of training and development on the performance of employees in Zimbabwe's banks using FBC Bank as a case study. **Research design, data and methodolog**y: The study adopted a mixed research method to collect and analyse data from ten key informants and fifty FBC Bank employees drawn from its branches in Harare. The data collection method used were survey and interviews. **Results:** The study revealed that effective training and development is significant to FBC Bank because it has a positive effect on the performance of employees, which consequently result in improved organisational performance. **Conclusion:** The study concluded that knowledge on how to conduct effective training and development programs in FBC Bank is not optimum. **Recommendations:** The study recommended that management should acknowledge that training and development is a systematic process and therefore conduct training needs analysis, design training plans, implement training programs effectively and evaluate them in order to ensure well-coordinated and effective training and development programs. It also suggested that adequate budget allocation should be availed to finance the implementation of training and development programs in organisations.

Keywords : Training , development, , Effectiveness, Organisational Performance, Employees

JEL Classification Code : O15, D23, M19

1. Introduction

According to the Zimbabwe Chamber of Commerce report of (2017), the success of an organisation has greatly relied on the efficiency and effectiveness of their employees. The process that bridges the gap between the expectations of the company in terms of employees' abilities, skills and knowledge and what they currently have is referred to as training and development. According to Nda and Fard (2013), training is an approach of teaching, which is methodical whilst development entails acquiring progressive imperatives, which are critical within the organisation. Training and Development enhances the company's overall performance especially when they are

development. According to Nda and Fard (2013), training is an approach of teaching, which is methodical whilst development entails acquiring progressive imperatives, which are critical within the organisation. Training and Development enhances the company's overall performance especially when they are combined with other HR practices (Timsal et al., 2016). Training and development are a systematic process of equipping employees with knowledge, abilities and skills to enhance the performance of employees. Training and development are different terms but are complimentary in nature. Consequently, they are used interchangeably. They denote the transfer of knowledge, skills and abilities, which are essential in performing job tasks, and they benefit both employees and organisations

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(Milhem et al., 2014). For training and development to achieve its purpose of enhancing organisational performance, it must be administered effectively (Ludwikowska, 2018). Organisations, including banks are fighting for survival and gaining competitive advantage and one of the ways they are using to achieve this is training and development. Despite the fact that banks invest heavily in training there are considerable evidences to show that there is inconsistency in the application of effective training and development, which leads to failure of the process to achieve its main purpose of enhancing organisational performance. If banks do not understand how to effectively implement this crucial performance driver, then their efforts will be in vain. The purpose of this study to shed light on how training and development can be implemented effectively and make it a success by achieving its intended result of driving organisational performance, using a case study of FBC Bank, a Commercial Bank in Zimbabwe. The research was driven by the need to investigate the effectiveness of training and development on the performance of FBC Bank Limited with the ultimate aim of shedding light on how to improve the effectiveness of the training process.

2. Literature Review

The chapter reviews literature on the training and development process, proposed model for effective training and development, benefits of training and development and the theory that underpin the study.

2.1. The Training and Development Process

The training process is a strategic formula through which technical skills are conveyed to employees. Training refers to a systematic approach to learning and development that helps to improve individual, team, and organisational effectiveness (Pineda, 2010). Dachner et al. (2021) noted that employee development ensures individual progression career-wise with guidance, encouragement and help from the manager. This then makes it clear that development is future oriented due to the fact that it prepares employees for future tasks through ensuring that their careers grow. Training and development is not a once off process but rather is a continuous process which requires constant supply of funds and support from management from the point of inception tup to the point of evaluation. According to Darkwa (2016), the training and development process consists of four stages which are training needs assessment, designing training plans, training implementation as well training evaluation. Effective training and development in organisations is therefore measured by the strict adherence

to these four systematic stages of training and development.

2.1.1. Model for Effective training and development process

The following model was developed and adopted from literature to show variables that make up effective training and development. The model shows a positive relationship between effective training and development and organisational performance. Fig 1 below shows the relationships.
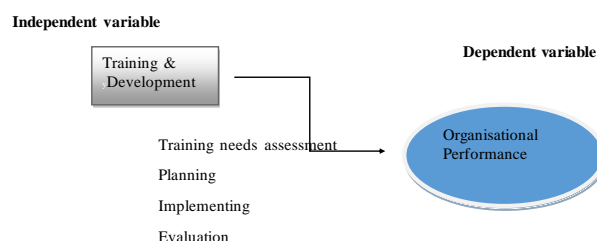

Figure 1: Effective Training & Development Model

2.1.2. Training Needs Assessment/ Analysis

The timely and precise identification of training needs start with the determination of knowledge, and skill essential for maximum effectiveness in an organisation's position (Stockard, 1997). Noe et al. (2014), denotes that training needs analysis is a procedure which indicates whether training is necessary or not. It does an assessment of the organisational objectives, accessible resources and the surrounding atmosphere so as to decide where the training is deficient (SAMDI, 2007). Training needs analysis involves conducting a proper diagnosis of what needs to be trained, for whom, and within what type of organisational system (Salas et al., 2016). Gap analysis is the base of training needs analysis. (Clarke, 2003) views training needs analysis as a process where data which helps organisations realize areas where there is insufficient knowledge and skills is collected and analysed. It addresses two major questions which are where is the training needed and whether the training is effective in fulfilling the predetermined goals. The training needs assessment entails a thorough examination of what needs to be trained and what are the additional knowledge and skills that should be provided. During a training and needs analysis, there is no formulae that has to be followed, it is determined by the characteristics of an entity. This ensures that organisations identify the contextual knowledge to be taught and where it needs to be taught. To identify the proper training needs, it is important for one to understand the long and short goals of the business. One has to battle with answering questions like what skills do we need now and in the future to achieve these goals and do we have them in the business, which team

of employees or department will need skills enhancement programs for the organisation to achieve what it has set to achieve. This assessment identifies critical areas where crucial skills are deficient. Amoah-Mensah and Darkwa (2016) identified three categories of determining organisational training needs which are at organisational level, task level and individual level.

A. Organizational level analysis

Ludwikowska (2018) considers needs analysis as the groundwork of all activities involved in training. The analysis basically identifies areas where training should be emphasized within the whole organisation. The assessment digs deep into the goals, mission, vision, processes and objectives of the organisation and identifies critical areas that require training and development. A SWOT analysis of the business's internal and external environment is done during this assessment and suitable training is provided accordingly. Organisational training needs assessment identifies the skills on hand and those that are needed by the organisation (Obeidat, 2014).

B. Task level Analysis

Task level training needs analysis provide key success skills that a worker should possess to carry-out a specific job effectively and efficiently. It can also be called job analysis, which emphasises on answering the 'what' question during the training and development process. According to Siddique (2004), task training needs analysis is the documentation of key skills and tasks that employees are ought to possess. The techniques that are essential for data collection during task analysis include performance standards, job description, work sampling amongst others. Task analysis is of great significance because the outcomes from the job analysis aid in the effective development of training programs that best suit the job to be practised by the employee.

C. Individual level Analysis

The analysis is concerned with answering the 'who' part throughout the training and development process. It involves the identification of an individual's training needs by looking at an employee's current performance against the pre-set goals. Information with regards to the worker's performance is gathered from performance appraisals, 360 feedback as well as one on one interviews. The analysis identifies who in particular within the company requires training in specific areas.

2.1.3. Designing training and development plans

As soon as the training needs analysis is done with, a training plan should be devised which should comprise of elements that are in alignment with the business objectives as noted by Jehanzeb and Bashir (2013). A training plan is a detailed document which reflects the actionable steps that are to be taken to resolve the training and learning needs identified. Noe et al. (2014) is of the view that when designing training programs trainers should encompass identification of training objectives, as well as methods to be adopted. A training plan needs to specify who is to be trained, by whom and thow the training is to be conducted that is whether it will be on-the-job or off-the-job training. The plan defines the scope, types of training, approach, curriculum, training schedule, logistical information, responsibilities, and contingency plans.

2.1.4. Implementing Training

Hailemichael (2014) opines that the training implementation stage is concerned with conducting and delivering training, as well as starting the program. Training implementation is the actual undertaking of the training session. Training implementation involves the conducting of the courses that have been developed, either by line management, the training officer or the outside consultant. Training implementation is the most difficult aspect of the training process due to the fact that failure to implement good plans results in the overall failure of the whole training process. The implementation stage is the most crucial part of the training process because it determines the fate of the training. Expectations about the training should clearly be outlined at this stage since unmet trainee expectations result in lower post-training commitment, self-efficacy, and motivation (Brown & Sitzmann, 2011). The organizer of the training needs to make sure that the trainees and their trainers have settled and are all ready for the session. Financial resources, transport and training aids should be made available to avoid inconveniences. The company's budget and the number of the trainees should determine the location of the training. The organizers should opt for conducive locations far from noisy locations like clubs. Experts in that subject area should pilot the training. The selected method of training should be within the budget. The trainees and the trainers should be willing to participate and they should be available on time.

2.1.5. Evaluating Training

This stage is important as it assesses the success of the whole training program. Noe et al. (2014) identified two types of training evaluation, which are formative and summative evaluation. Formative assessment happens during the training design phase such that the course is systematized before execution, whereas summative evaluation happens after the session. Different scholars have identified several methods, which can evaluate the effectiveness of training and development in an organisation. Kirkpatrick (1959) in his researches identified a four-level

model of evaluation, which has since been implemented by many. The four levels are reaction, learning, behaviour and results, and they are explained below.

2.1.6. Evaluating Reaction

This entails the learners' response in terms of their attitude and behaviour after the training session. It is the supervisor's duty to monitor the attitude of the trainee after the training to point out whether the trainee has been satisfied with the learning skills acquired. By monitoring and judging how the learners have been reacting and contributing in the training assists in evaluating whether the learners have gathered information or not. Thorough planning and evaluation need to be done to ensure training effectiveness. Research has shown that the evaluation stage of training has been generally neglected in the training process. The main thrust of training evaluation is to validate the total learning process and not the traditional approach of concentrating on the evaluation of training events Management can make use of questionnaires when evaluating the employee's reaction towards the training and development program. The management should assess the effectiveness of the training by asking the trainees some of these questions and jot down their responses and reactions: Was the exercise commendable for your time and attention? What are the five most important new things you have learnt? and was the training relevant in your area of specialization and do you need any support to be able to put what you have learnt in practice? Employees' reaction can be measured in several ways, but it is significant to observe the trainees body language, facial expressions. According to Arthur et al., (2003) evaluating the reaction of the trainee facilitates an easy collection of accurate results.

2.1.7. Evaluating Learning

Learning mainly focuses on what has been taught and what has been left out, which can be determined by assessing the employees' level of acquaintance before and at the end of the training. Knowledge tests should be implemented to evaluate the level of the trainee's own understanding. According to Noe et al. (2014) learning results determines the level to which the trainees have acquired the principals, and techniques that were taught during the training. Learning also focuses on the trainee's confidence on whether they can apply the learnt skills or not. It also identifies the expertise and approaches that have been developed.

2.1.8.   Evaluating Behavior

This entails how the trainees are putting theory into practice; this shows how employees are applying their newly acquired skills and techniques practically. The behaviour stage is the assessment of the how the training

knowledge is being applied in a job set-up (Tai, 2006). Observations work well during this stage and can help in determining where the employee needs assistance. Employees should be given a chance to demonstrate what they have been taught. If an employee effectively implements the newly acquired techniques they should be praised for behaviour reinforcement.

2.1.8. Evaluating Results

It is at this stage where results are analysed. This is the stage, which evaluates how the training programs have contributed to the achievement of the company goals and business improvements. The quantitative and qualitative gains due to training are evaluated and these include outcomes that the organisation identifies as a good return on capital. Some of the outcomes include improved sales, increased productivity, enhanced efficiency, increased client gratification as well as higher self- esteem. The outcomes used in assessing the helpfulness of training sessions focuses mainly on the yield on investment which compares the paybacks of training with the direct and indirect costs of the training. It is at this stage where organisation and individual performance is measured where it is determined whether stated goals have been achieved. The results from the training can be seen by quantifying the employees' productivity, the company' profitability as well as efficiency after the training.

2.2.   Training Methods

A variety of training methods are used in different organisations today, to train different individuals. The most popular training and development method used by organisations can be classified as either On-the-job training or Off-the-job training.

2.2.1. On the Job Training

This is the most widely used training method, as in comparison, on-the-job method of training is simple and less costly to operate. As the name goes, on-the-job training is a method of giving training to employees when they are at work at their working environment. The purpose of this training is to make the employees get familiar with the normal working circumstance, i.e. during the training time frame, the workers will get the direct involvement of using machinery, equipment, devices, materials, and so forth. Additionally, it helps the employees to figure out how to confront the difficulties that may occur during the execution of the job. The main idea of this training is learning b doing where the supervisor or the more experienced employees show the training how to perform out a specific task. The learners take after the directions of the supervisor and

perform out the task. This method is highly used b companies to train current and future workers, due to its simplicity. On-the-job training includes apprenticeship, couching, internship, job rotation, job instruction and few others.

2.2.2. Mentoring

This is another version of the system whereby a senior or experienced employees takes charge of the training and development of a new employees. This suggests a much closer association than master-apprentice and elements of a father-son relationship can exist whereby the mentor acts as an advisor and protector to the trainee. If appropriately implemented this can be an excellent learning experience for workers and suitable fits with Human Resource Management concepts of team-work and empowerment whereby people are encouraged to greater responsibility for their work and that of the team. On the negative side, there have been criticisms that not enough structured training is given to enable workers to do these jobs well.

2.2.3. Coaching

This is often ongoing daily training of an individual. Here the coach is a helper and a teacher. Normally the immediate supervisor is the coach. It involves achieving developmental goals by providing assistance in reaching goals by giving timely and constructive criticism. The coach answers questions, lets the employees participate in making decisions, stimulates the employees' thinking, and helps when problems occur. Tends to focus on the here and now

2.2.4. Job Rotation

It involves placing an employee on different jobs for periods of time ranging from a few hours to several weeks, for example an employee in the customer services at Cimas can also work in the marketing department. For staff trainees' times may be longer due to learning complex functions and responsibilities. For managers, this usually involves temporary assignments in various departments, plants and offices. For management trainees usually involve several short – term assignments that teach a variety of skills and give the trainees a greater understanding of how various areas function. Learning environment is real and also, the trainee learns to work with supervisor and work colleagues.

2.2.5. Off-the-Job Training

This is another method of training, which is organized at a site, far from the original work environment for a specific period. The purpose of this method of training at a place other than the job area is to give a peaceful domain to the employees where the can focus just on learning. Learning material is provided to the trainees, for a complete theoretical knowledge. The trainees can express their perspectives and opinions during these training sessions. Case studies, conferences, audiovisuals, seminars, simulations, role play and lectures are some basic systems that the employees needs to experience during, off-the-job training. This is one of the costly training methods. It includes choice of the place of training, arrangement of facilities for the employees, hiring experts to impart the training.

2.2.6 Case Study

Here, trainees are given case studies of real or imagined events in an organisation to study, analyze and give an opinion, for instance, case study about First Mutual training interventions. After analyzing several cases under the guidance of instructors, the trainees are exposed to certain concepts, problems, techniques and experiences, which they will later face on the job. The object of this method is to help the trainees think logically and develop the ability to analyze alternative courses of action systematically and objectively

2.3. Benefits of Effective Training and Development Process

With the increasing volatility of the external operating business environment, effective training and development is increasingly being used as a coping mechanism by most organisations so as the match the dynamism. In the contemporary world, organisations that are embracing training and developing are increasingly enjoying more profits as compared to those that are taking a passive approach to training and development. The central aim of training and development is to enhance individual and organisational capabilities. The benefits of training and development include, but is not limited to, market growth, , employee retention, productivity and profitability.

2.3.1. Market Growth

Any business with the aim of remaining competitive in the market should engage in employee training and development programs because such programs update and refine the knowledge, skills and attitude of employees which then allows an organisation to hold and expand its position in the market. Khan et al. (2011) noted that organisations are required to develop and maintain a learning environment for the employee that expand the knowledge of the organisation and its competitive ability. The increase in skills brought about by training and

development expands an organisation's spectrum and reach because an increase in skills means an increase in the quality of goods and services offered which will attract more customers resulting in the organisation enjoying a greater market share.

2.3.2. Employee Retention

Employee retention is a volunteer move by organisations to create a environment which involves employees for long term (Hicks, 1983). Several organisations have revealed that one of the characteristics that help them retain employees is to offer them opportunities for improving their learning. It has therefore been confirmed that there is a strong relationship between training and development and employee retention . The positive relationship between employee retention and employee training and development can be attributed to the fact that employees feel that there are greater career progression prospects at an organisation which offer training and development programs more often therefore employees will be drawn to that prospect and will be more inclined to staying at the organisation with the aim of growing their careers. It is crucial for an organisation to retain its employees because it makes the pursuit of goals more fluid through avoiding losing skilled employees and having to recruit a new employee and having the employee catch up with all the activities of an organisation.

2.3.3. Productivity

Over the past years, training has been one of the crucial elements that plays a vital role in increasing organisation productivity. Training and development is a fundamental and effectual instrument in the successful accomplishment of the organisational goals and objectives resulting in higher productivity. Khan et al. (2011) over emphasised the point that effective training programs and high levels of productivity are positively correlated.

2.4. Theory Underpinning the Study (Constructivism Theory).

The theory claims that individuals acquire knowledge from their own motivation and in a manner of mutual interaction not because of repetition or imitation (Akdeniz et al., 2016). The philosophy is sorely constructed on the point that knowledge comes from how the learner derives meaning from the experiences and teachings. The learner is a constructor of significance not just an individual awaiting orders from the instructor (Wilson, 2006). Consequently, training programs based on this theory should allow platforms that gives the learner an equal opportunity to construct meaning from a particular subject area being presented. The training programs that support this theory should allow learners to think outside the box. Trainers should also appreciate and understand that trainees acquire knowledge through different perceptions because of their uniqueness and should strive to provide the most suitable learning style for each learner. Hence the need to implement effective training programs in a systematic manner through the training process.

3. Research Method

This study used a mixed methods approach to collect and analyse data from respondents. Purposive sampling was used to collect data from 10 respondents to cater for the interviews. For quantitative data 50 questionnaires were distributed to employees working for FBC bank in Harare. In-depth interviews were conducted with the management and an unstructured questionnaire was sent out to a representative sample of FBC staff. The questionnaires responses were anonymous and interviews were confidential. Extensive literature reviewed centering on effectiveness of training and development was also conducted from various sources such as electronic journals and books on the concept of Training and Development.

4. Results and Discussion

Several global studies were conducted in relation to the impact of training and development on the performance of organisations. The literature pertaining to how to enhance effectiveness of the training and development process is key to this study. For organisations to reap the best out of the training programs, there is need to conduct them effectively. This study established effective ways of implementing training and development programs in FBC bank in order to enhance its performance.

4.1 Significance of Training and Development to FBC Bank

The study revealed that training and development is the major factor contributing to employee performance, which ultimately leads to improved productivity and ultimately enhanced performance of FBC Bank. It has been revealed that most organisations who are successful have invested more in effective training and development. This therefore meant that it is known that training and development

contributes significantly to how the organisation operates and motivates its workforce.

4.2. How is Training Being Conducted at FBC Bank

Only 20% of employees were happy with the current way training is being carried out and do not see the need for improvements. This highlights that the management should engage employees on ways to improve the training courses because most of the workers are not content with the frequency of training programs. There is also need to conduct training systematically. The findings revealed that the Bank is far from being close from implementing training and development effectively in the expected manner that yields the desired results. The data collected from the respondents through conducting interviews highlighted that the bank does not carry out comprehensive training needs analysis.

4.3. Challenges Faced by FBC in Implementing Training Programs

The Banks' Human Resources is very much inclined to train and develop its employees but the efforts are being impede by a myriad of challenges with financial support being the main constraint. From the interviews conducted, it was reviewed that when staff took part in workshops organized by the bank, no notepads or refreshments were provided just to highlight the plight of the bank.

5. Conclusions and Recommendations

This study concluded that, effective human resource training and development can be used as a shield to enhance organisational performance, as measured by improved productivity, profitability, customer satisfaction and retention. Evidence from a number of studies indicates a positive relationship between effective training development and organisational performance. In this regard, the need for organisations to practice effective training and development becomes critical. Hence, this paper sheds light on how banks can practice effective training and development process, thereby developing and facilitating an improved understanding of the concept. The study, however concluded that the bank is still lagging behind in terms of administering effective training programs, therefore it recommended best practice in implementing training and development programs at FBC bank. The other conclusion of this study was that the bank is not training and developing its employees frequently. The recommendation is that training and development is therefore practiced often so as encourage continuous development within the organisation.

Because of the unstable business environment affecting the globe at large and Zimbabwe specifically, a further study on best practice on implementing training and development programs in banks should be done. This will enable banks to adopt training methods and techniques that are ideal for the current turbulent business environment.

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