

Impact of Training and Development on Employee's Performance: Moderating Role of Person Job Fit & Mediating role of Motivation in the Banking Sector of Pakistan.

Khalid Sultan Anjum, Muhammed Shan, Mubashar Maqbool, Summaira Mustafa
Institute of Banking & Finance
Bahauddin Zakariya University, Multan, Pakistan
Corresponding author's email: muhammedshan9972@gmail.com

Abstract

Purpose - The basic purpose of this study was to find out the relationship between Training & Development and Employee Job Performance by taking motivation as mediator and Person Job Fit as moderator.

Design/methodology/approach - To explore this relationship, data was collected from banking sector of Pakistan including public sector, the private sector and foreign banks functioning in Pakistan. Total 850 questionnaires were distributed to collect data out of which 433 questionnaires were received back as a response from respondents. SPSS and AMOS version 21 was used to analyze the data and interpret the nature of the relationship between variables.

Findings - Results of the study revealed that training need of employees vary with age and on the job training was seen as an important training mechanism to motivate the employees so that they can perform highly and in a better way. Moreover, results of the also revealed that employees with high level of knowledge, skills and attitude do not feel motivated by training but employees with low PJF feel motivated after attending the training and they also perform outstandingly as compared to their other colleagues who do not attend the training and developing sessions.

Practical implications - This study is useful full baking sector of Pakistan in order to enhance capabilities of their employee. So, that employees may be remain motivated and perform well at workplace.

Originality Value – it has been observed that according to researchers best knowledge no study has been conducted who have tested the present model in integrated fashion.

Keywords Training, Development, Employee's Performance, Person Job Fit, Motivation

Research Type Research Paper

The current issue of this journal is available on
the official website of Institute: <http://www.ibfbzu.edu.pk/sajbs>



South Asian Journal of Banking and Social Sciences
Vol. 02, No.01 (2016), ISSN: 2410-2067
© Institute of Banking & Finance, BZU Multan

1.0 INTRODUCTION

Human resource is the core element on the back of the success of any organization. The corporations dedicated their extreme efforts for the achievement of their objectives irrespective of their business objectives on the global level. For this purpose, they carry out the utility of their human resources efficiently and effectively. It is the fact that their human resources are infected their human capital while on the other hand the ground reality is that they are their off balance sheet assets. In the success of any economy, banking sector plays vital role. In Pakistan, banking sector has grown with the rapid speed within the past two decades. Human resource is considered as one of the pillar on which the banking system is standing.

One of the study by McKinsey, 2006 argues that improved capabilities, knowingsness, and the ability of the intelligent employees proved a major wellspring for competitive advantage in the globalized market. Indeed (Meyer and Allen, 1991) also claimed that to build desired knowledge, abilities and skills of the workforce, to perform efficient on the task, requires training that also effect motivation and commitment of the employees. Hence the employee's potential towards the completion of desired task by creating training programs can be increased. So, it is observed that most of the firms, by applying long-term planning, invest in building new skills by their workforce, enabling them to cope with the uncertain conditions that they may face in future, thus, improving the employee performance through a superior level of motivation and commitment.

However, by offering training programs to employees, organization make them feel important, hence employees, in turn, apply their best efforts to achieve organizational goals and show high performance. Employee's performance is related to organizational work that responds to the powerful environment (Podsakoff et al. 1997).

For this purpose, present study is going to see the impact of training and development of employees on their job performance in presence of motivation as mediator.

2.0 LITERATURE REVIEW

According to Vinesh (2014), Training contains such function of human resource management which is to improve the efficiency of employees related to organizational tasks. Bohlander and Scott A. Snell (2008) indicate in their research that the training is very helpful for learning which in return promotes to expand the abilities towards future obligations.

Mathis and Jackson (2002) states that the training is used to indicate a path which is used by people to reach their higher level of abilities in order to achieve organization goals with full efficiency and effectiveness. Davis and Werther (2010) investigated that training and development develop peoples to work with their full efficiency and effectiveness. Simamora (2006) state training is a learning process which involves the integration of skills, attitudes, concepts, and rules to increase employee performance. In addition, Handoko (2013) defined that objective of training is to enhance the expertise of people to complete their job task. Training is the incessant process to enhance the ability of knowingness, exposure and add the value in the behavior of a person (Simamora, 2006).

A research conducted by Farhan in 2001 investigated the impact of training on employees' towards the motivation and job involvement. He found that the training for the employees is necessary if we want to get excellence and competent persons in the organization. No doubt that it points towards training with a positive influence on motivation and job involvement. Further, a job with instructional training and informal learning are globally used techniques to deliver the knowledge to employees in the banking sector.

The broaden-and-build theory (Fredrickson 1998, 2001) recommended that positive feelings support persons to grow as an assets, for the organization (Fredrickson 1998; Fredrickson and Branigan 2001). Previous exploration provide direct confirmation to the enhanced effect of favorable outcome on thoughtfulness and thought-activity of the employees (Fredrickson and Branigan 2005). Friedman and Forster (2010) displayed motivating positive emotional state increases motivation in employees and decreases negative behavior. When persons face bad experiences during their job, then they do not put their efforts for achieving organizational goals (Friedman and Forster 2010; Keenan 2002; Meyer and Turner 2002).

3.0 RESEARCH METHODOLOGY

3.1. Sampling and Data Collection

This study was carried out in the banking Industry of Pakistan. Out of 33 banks functioning in Pakistan six banks were selected randomly which included SBP, NBP, HBL, MCB, ABL & Standard Chartered Bank for data collection. Convenient sampling method was used to collect the data and employees of banking sector were a unit of analysis for our study. Eight hundred & fifty questionnaires were distributed out of which 433 questioners were responded (51% approximately).

3.2. Measures

The questionnaire consisted of 30 items. There were 3 main variables that divided the questionnaire into main three sections i.e. T&D section, Motivation section, and Performance section (13, 6, and 8 respectively). It is an empirical study in which researchers got filled the questionnaire from a different level of bank's employees. Respondents were asked to give their response on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

3.2.1. Training and development

Training and development can be defined as the intended learning capabilities that teach workers how to fulfill existing and future responsibilities. This variable was measured by implementing scale from research of Truitt, D. L. (2011) with Cronbach alpha of 0.915.

3.2.2. Employee motivation

Employee motivation is one of the technique of managers to raise effective job management amongst workers in the company (Shadare et al, 2009). This variable is dignified by implementing scale from research of Miner, J. B., & Smith, N. R. (1982). Cronbach alpha for this scale was 0.87.

3.2.3. Employee's job Performance

There is no doubt that workers are the building blocks of an organization. This variable is dignified by implementing the three item scale of Rodwell, Kienzle., & Shadur (1998) and Cronbach alpha for this scale was 0.77.

4.0 ANALYSIS & DISCUSSION

Multiple regression analysis

In order to check mediation, hierarchal regression analysis is used.

$$Y = \alpha_0 + \beta_1 x_1 + \beta_2 x_2 + \epsilon_0$$

β_1 = Coefficient of Independent variable

X1= Independent variable

β_2 = Coefficient of mediating variable

X2=Mediating Variable

ϵ_0 = Error

For hierarchal regression analysis three step process is used.

Step 1: Direct Effect of Training and Development on Job Performance.

First direct effect of independent variable which is training and development on job performance is tested.

Table.1 Effect of Training and Development on Job Performance

	R Square	F	Beta
T&D → J.P	.268	218.622 (.000)	.518 (.000)

- a. Predictors (constant), T&D
- b. Dependent variable: Job Performance

In above table, value of R square is 0.268 which means 26.8% variation in job performance is due to variation in training and development. Value of beta shows that 1% increase or decrease in training and development causes 51.8% variation in job performance. F shows model fit which is 218.622 which is significant at 0.000.

Step 2: Effect of Motivation (Mediator) on Job Performance.

In second step, effect of mediator which is motivation on job performance is tested.

Table 2. Effect of Motivation (Mediator) on Job Performance

	R Square	F	Beta
M → J.P	.158	105.683 (.000)	.373 (.000)

In above table, value of R square is 0.158 which means 15.8% variation in job performance is due to variation in motivation. Value of beta shows that 1% increase or decrease in motivation causes 37.3% variation in job performance. F shows model fit which is 105.683 which is significant at 0.000.

Step 3: Effect of Training and Development on Job Performance in presence of Motivation as Mediator

In this step, effect of independent variable on job performance is tested when motivation was inserted as mediator.

Table 3. Effect of Training and Development on Job Performance in presence of Motivation as Mediator

Model		R Square	F	Beta
1	T&D → J.P	.268	218.622 (.000)	.518 (.000)
2	T&D → J.P	.322	144.258 (.000)	.373 (.000)

It is observed from analysis given above, that partial mediation exists as effect of training and development on job performance is still there. Effect of training and development on job performance is reduced from 0.518 to 0.373 when motivation was used as mediator. Mediation is calculated as:

$$[(\beta_{\text{direct effect}} - \beta_{\text{indirect effect}}) / \beta_{\text{direct effect}}] \times 8 * 100$$

Where

$$[(0.518 - 0.373) / 0.518] * 100$$

$$[0.145 / 0.518] * 100$$

$$27.99\%$$

Mediation effect is 27.99% of total effect as shown by analysis.

5.0 CONCLUSION

This study discovered a notable and significant relationship between T & D and employees' performance. The relationship between training & development and employee job

performance with mediation effect of motivation was explored. In support of the hypothesis, a positive relationship between training & development and motivation was proved. Furthermore, it is concluded that motivation plays the mediating role between training & development and employee job performance.

Our result shows the generalizability of the findings of Vinesh (2014) which is human resource practices leads to the organization overall performance. Our result proves the findings of Snell (2008) that are training increase the capabilities of the employees. Snell's (2012) research showed that the direct applicability in financial market of Pakistan which provide the competence in employees skills through training.

Research findings of the Kushnir et al, (2006) are also applicable in the context of Pakistan culture, he said "training leads to the employee's satisfaction and directly affect the organization's performance positively." Our results revealed that Motivation had direct effect on the employee's performance and proved the findings of Edwards, (1991).

5.1 Managerial Implications

Present study is also helpful for managers to decide that which type of training is necessary to be given to employees. Particularly these findings will help the managers of banking sector to understand the employees in sense of training needed and the motivation level needed. As the motivation of level of employees will increase, employee job performance will also increase with an increase in knowledge skills and attitude level of employees.

5.2 Limitations of the study & Direction for Future Research

Many limitations are linked with current study. First of all this study was executed in terms of cross sectional design so longitudinal study design can provide us different results in which data is collected after and before the training provided to employees. Longitudinal design of study is also recommended for future research. Secondly, data was collected from employees so the inflated responses cannot be avoided that is why future research can be carried out in which data should be collected from both employees and their supervisors to match the results. Another limitation of our study is that researchers only collected the data from banking sector so the results cannot be generalized on other sectors so the future studies can focus other sectors in order to check the relationship of same variables in other sectors. Moreover, climate and culture of organizations can also be taken as moderators in future studies to check the results in accordance with culture prevailing in the firms

REFERENCES

1. Angela, F. (1990). Identity: community, culture, difference (pp. 9-27). J. Rutherford (Ed.). London: Lawrence & Wishart.
2. Barrett, J. A. (1980). Pathogen evolution in multilines and variety mixtures/Entwicklung von Erregerpopulationen in Vielliniensorten und Sortengemischen. Zeitschrift für Pflanzenkrankheiten und Pflanzenschutz/Journal of Plant Diseases and Protection, 383-396.
3. Bohlander, G., Snell, S., & Sherman, A. (2008). Administración de recursos humanos. 14^a. Ed. Cengage Learning. Editores, SA México.
4. Cho, C. W., & Shin, S. C. (2004). Enhanced transdermal delivery of atenolol from the ethylene–vinyl acetate matrix. International journal of pharmaceutics, 287(1), 67-71.
5. Cable, D.M., & DeRue, D.S , Edwards, J.R. "The Convergent and discriminant validity of subjective fit perceptions." Journal of Applied Psychology, 2002: 875-884.
6. Forbes, J. Benjamin, and Gerald V. Barrett. "Individual abilities and task demands in relation to performance and satisfaction on two repetitive monitoring tasks." Journal of Applied Psychology, Vol 63(2) april, 1978: 188-196.
7. Fredrickson, B. L. (1998). Cultivated emotions: Parental socialization of positive emotions and self-conscious emotions. Psychological Inquiry, 9(4), 279-281.
8. Friedman, R. S., & Förster, J. (2010). Implicit affective cues and attentional tuning: an integrative review. Psychological bulletin, 136(5), 875.
9. Gunawardana, I., Leendertse, K., & Handoko, W. (2013). Monitoring outcomes and impacts of capacity development in the water sector: a Cap-Net UNDP experience. Water policy, 15(S2), 226-241.
10. Greguras, G. J., & Diefendorff, J. M. (2010). Why does proactive personality predict employee life satisfaction and work behaviors? A field investigation of the mediating role of the self-concordance model. Personnel Psychology, 63(3), 539-560.
11. Hameed, A., & Waheed, A. "Employee development and its affect on employee performance: A conceptual framework." International Journal of Business and Social Science , 2 (13), , 2011: 224-229.
12. Harrison, R. "Learning and development: ." CIPD Publishing., 2005.
13. Chiang, H. H., Chang, A., Han, T. S., & McConville, D. (2013). Corporate branding, brand psychological ownership and brand citizenship behaviour: multilevel analysis and managerial implications. Journal of General Management, 39(1).
14. Judge, T A, D M Cable, J W Boudreaw, and R D Bretz. "An empirical investigation of the predictors of executive career success." Personnel Psychology, 1995: 485-519.
15. Jaffe, D. M., Tanz, R. R., Davis, A. T., Henretig, F., & Fleisher, G. (1987). Antibiotic administration to treat possible occult bacteremia in febrile children. New England Journal of Medicine, 317(19), 1175-1180.

16. Kulstad, Erik B., Ejaz A. Kalimullah, Karis L. Tekwani, and D. Mark Courtney. "Etomidate as an induction agent in septic patients: red flags or false alarms?." *Western Journal of Emergency Medicine* 11, no. 2 (2010).
17. Keenan, S. P., Powers, C., McCormack, D. G., & Block, G. (2002). Noninvasive positive-pressure ventilation for postextubation respiratory distress: a randomized controlled trial. *Jama*, 287(24), 3238-3244.
18. Kiker, D. S., & Motowidlo, S. J. (1999). Main and interaction effects of task and contextual performance on supervisory reward decisions. *Journal of applied psychology*, 84(4), 602
19. Kulstad, E. B., Kalimullah, E. A., Tekwani, K. L., & Courtney, D. M. (2010). Etomidate as an induction agent in septic patients: red flags or false alarms?. *Western Journal of Emergency Medicine*, 11(2)
20. Lauver, K.J., & Kristof-Brown, A. "Distinguishing between employees' perceptions of person-job and person-organisation fit." *Journal of Vocational Behaviour*, 2001: 454-470. .
21. Lawrence, A.D. "Screening for Person-Job fit: Incremental validity of a congruence approach to assessment. (Doctoral dissertation). ." Retrieved from ProQuest Dissertations and Theses database. (AAT 3123386)., 2004.
22. Muhammad Farhan Akhtar, Khizer Ali, Miss Shama Sadaqat, Shoaib Hafeez. "INTERDISCIPLINARY JOURNAL OF CONTEMPORARY RESEARCH IN BUSINESS." *Institute of Interdisciplinary Business Research* 793 mVOL 2., APRIL 2011.
23. Mathis Matsumoto, I., Maccioni, M., Lee, D. M., Maurice, M., Simmons, B., Brenner, M., ... & Benoist, C. (2002). How antibodies to a ubiquitous cytoplasmic enzyme may provoke joint-specific autoimmune disease. *Nature immunology*, 3(4), 360-365.
24. Miner, J. B., & Smith, N. R. (1982). Decline and stabilization of managerial motivation over a 20-year period. *Journal of Applied Psychology*, 67(3), 297.
25. Mulaik, S, and R Millsap. "Doing the four-step right." *Structural Equation Modeling*, 2000: 36-73.
26. Murphy, C., Cross, C., & McGuire, D. ". The motivation of nurses to participate in continuing professional education in Ireland. ." *Journal of European Industrial Training* , 6 (5),, 2006.
27. Podsakoff, P. M., Ahearne, M., & MacKenzie, S. B. (1997). Organizational citizenship behavior and the quantity and quality of work group performance.
28. Pulakos, E. D., Schmitt, N., Dorsey, D. W., Arad, S., Borman, W. C., & Hedge, J. W. (2002). Predicting adaptive performance: Further tests of a model of adaptability. *Human performance*, 15(4), 299-323.
29. Podsakoff, P. M. & MacKenzie, S,. " Impact of Organizational Citizenship Behavior on Organizational Performance: A Review and Suggestions for Future Research. *Human Performance*, 10(2), ." 1997 133-151.
30. Ramakrishnan, Y., Shabbir, S., Miller, S., Houlden, J., Shadare, J., Dewit, O., ... & Spooner, N. (2009, August). A study to evaluate dried blood spot technology as a potential sample collection technique following oral administration of paracetamol in healthy human volunteers. In *BRITISH*

JOURNAL OF CLINICAL PHARMACOLOGY (Vol. 68, No. 2, pp. 300-300). COMMERCE PLACE,
350 MAIN ST, MALDEN 02148, MA USA: WILEY-BLACKWELL PUBLISHING, INC.

31. Rodwell, J. S. (1998). *British plant communities* (Vol. 2). Cambridge University Press.
32. Saks, A.M., & Ashforth, B.E. " A longitudinal investigation of the relationships between job information sources, applicant perceptions of fit and work outcomes." *Personnel Psychology*, 1997: 395-425.
33. Simamora, P., & Chern, W. (2006). Poly-L-lactic acid: an overview. *Journal of drugs in dermatology: JDD*, 5(5), 436-440.
34. Stanford, J. L., Stephenson, R. A., Coyle, L. M., Cerhan, J., Correa, R., Eley, J. W., ... & Ross, R. (1999). *Prostate Cancer Trends 1973-1995, SEER Program*, National Cancer Institute. NIH pub, (99-4543).
35. Truitt, D. L. (2011). The effect of training and development on employee attitude as it relates to training and work proficiency. *Sage Open*, 1(3), 2158244011433
36. Tzu-Shian Han, Hsu-Hsin Chiang, Chia-Ling Chiang. "The Investigation of the Relation between Person-organization Fit, Person-job Fit, Psychological Ownership, and Contextual Performance: A Longitudinal Approach." *ISS & MLB*, 2013.
37. Turner, J. C., Midgley, C., Meyer, D. K., Gheen, M., Anderman, E. M., Kang, Y., & Patrick, H. (2002). The classroom environment and students' reports of avoidance strategies in mathematics: A multimethod study. *Journal of Educational Psychology*, 94(1), 88.
38. Nijas, C. M., Deepak, U., Vinesh, P. V., Sujith, R., Mridula, S., Vasudevan, K., & Mohanan, P. (2014). Low-cost multiple-bit encoded chipless RFID tag using stepped impedance resonator. *IEEE Transactions on Antennas and Propagation*, 62(9), 4762-4770.