



## The Impact of Training and Development on Job Performance in Ugandan Banking Sector

Kanyesiga Johnson Amos<sup>1</sup>, Bazinzi Natamba<sup>2</sup>

<sup>1</sup>School of Management, Wuhan University of Technology,  
Wuhan, P.R.China, 430070

<sup>2</sup>Makerere university business school, Kampala, Uganda, 1337

E-mails: kanyesigajohnson@yahoo.com,  
natambaa@yahoo.com

**Abstract:** The study examined the impact of training and development on job performance in the Banking sector in Uganda among the selected four banks of Equity Bank, Bank of Africa, Barclays Bank Uganda and Centenary Bank and specifically looked at the relationship between training needs identification, training methods, monitoring, evaluation of training and job performance in the banking sector in Uganda. The study used correlation research design to address the relationship between variables. The study involved managers, heads of departments at each bank and employees. Data was collected using questionnaires to facilitate quantitative approaches in the study. Data was analyzed at three levels that is; univariate, bi-variate and multi-variate. Univariate analysis fetched descriptive statistics in form frequencies and percentages while bivariate analysis obtained correlations between variables. At multivariate level a logistic regression model was used to ascertain the magnitude of effect of each independent variable on the dependent variable. Study findings at a bi-variate level revealed a positive and significant relationship between the independent variables (identify training needs, identify training objectives, training content, on the job training technique, off the job training technique, skills application and Knowledge application) and the dependent variable (job performance). At the multi-variate level, it was revealed that all independent variables except knowledge application in the training and evaluation process explain 69% of job performance in the model. It was concluded that identification of training objectives, identification of training objectives and skills application have a positive significant effect on job performance in the banking sector in Uganda. It was therefore recommended that there is need to streamline the needs assessment process before the training process, endeavor to clearly define training objectives and have a strict monitoring and evaluation process on trainees.

**Keywords:** Training and development; Job performance; Training needs identification; Training methods; Monitoring and evaluation

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## **INTRODUCTION**

The banking industry in Uganda is growing at the highest rate with more financial institutions coming in play that have endeavored to absorb a significant number of employees majority of which are fresh and young graduates. These banks come at a time when competition is significantly high and personnel remain the key institutions resource to handle such competition through strategic employee training and development. Despite the importance of training and development of personnel, the banking institutions efforts to emphasize these remains significantly low.

In Uganda training of employees across most organizations is largely perceived as a luxurious aspect than a core issue to enhance employees' job performance. Over the years, Bank of Uganda (BOU) has developed training and career development policies that are emulated by other banks that have helped to see many employees trained in various discipline According to the BOU Training Policy (2001) this has been done to facilitate among others, the promotion of career and professional development of four staff, preparation of staff for higher responsibilities and ensure that they have required knowledge and skills for effective job performance. It is assumed that after training these employees should be promoted so that they advance their careers. However, this seems not to be the case in most of the banks that emulated this and even very few individuals are considered for such trainings and other carrier development opportunities in these banks. This is likely to seriously affect the individual job performance hence failed achievement of institutions objectives.

## **LITERATURE REVIEW**

In the banking sector, training and development are continuous process in improving the type of employees in the organization. Training and development is an attempt to improve their current and future performance but the organization should keep a track on their performance after imparting them training it means training needs assessment (Janice et al, 2002). It is a systematic process of altering the behavior of employees in a direction to achieve goals of the institution. Therefore a training programme is an effort by the employer to provide opportunities for the employees to acquire job related skills, attitudes and knowledge that can help them perform as required by the institution. In order to satisfy consumers from all walks of life banks need to have efficient manpower which can be possible by offering them quality training , training programme should keep pace with changing times it must be unconventional. Training changes mental and social outlook of employees. Customers and their needs can be identified and they are satisfied accordingly (Venkatesh, 2009).

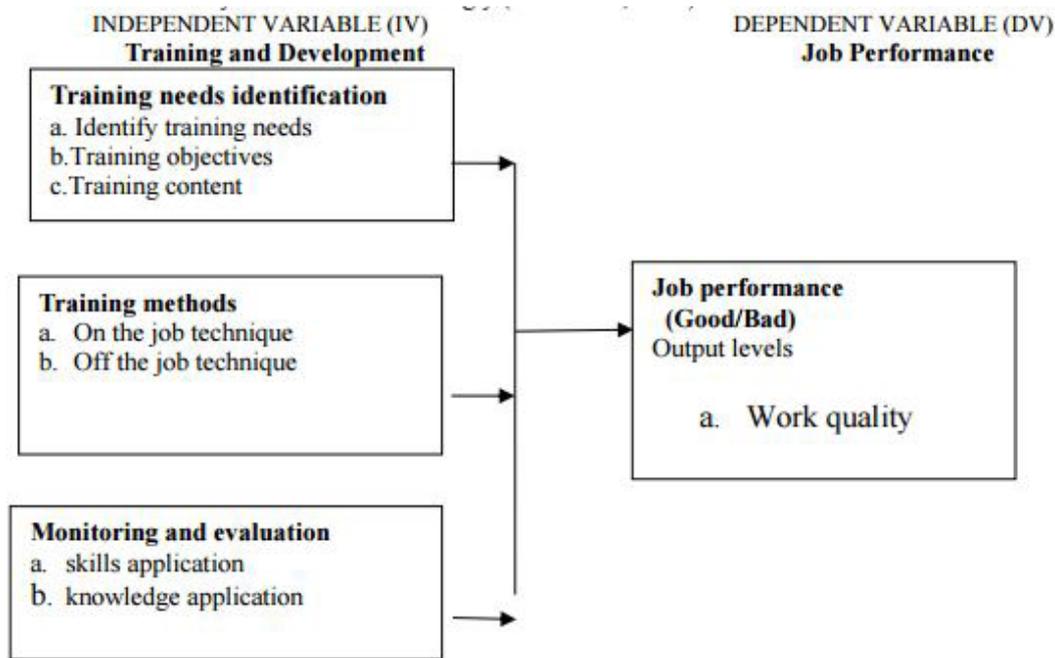


Figure 1  
Conceptual  
Framework on  
Training and  
Development Job  
Performance

### 1. Employee training

In the personnel management process there are two major types of training; on-the-job training and off-the-job training as identified by Alo, (2009:112). In any organization, on-the-job training is largely handled by colleagues, supervisors, managers, mentors to help employees adjust to their work and to equip them with appropriate job related skills. Armstrong (1995) argues that on-the-job training may consist of teaching or coaching by more experienced people or trainers at the desk or at the bench. It may also consist of individual or group assignment and projects and the use of team leaders and managers.

According to Armstrong (2006:447), on-the-job training is the only way to develop and practice the specific managerial, team leading, technical, selling, manual, and administrative skills needed by the organization. This has the advantages of actuality and immediacy as the individual works, learns and develops expertise at the same time thereby paving way for improved job performance in the institution. Ejiogu (2000:223) elaborate that off-the-job training include lecture, vestibule training, role playing, case study, discussion and simulation Armstrong (1995:440) listed group exercises, team building, distance learning, outdoor and workshops as part of off-the-job training. He further explains that off-the-job training may be provided by members of the training department, external education and training establishments, or training providers-training consultants or guest speakers. In his explanation he encourages line managers to be closely involved to bring reality into the classroom, to ease the transfer of learning, and to make sure that those involved in off-the-job training are carefully selected, briefed and monitored so as to ensure that they make the right contribution.

### 2. Training and development

Obisi (2006:232) elaborate that training and development are used interchangeably. However, training is for specific job purpose while development goes beyond specifics

development covers not only those activities which improve job performance, but also those which bring about growth of personality Mamoria, (2005:321). Steinmetz (2006:213) notes that training is a short-term process, utilizing a systematic and organized procedure by which non-managerial personnel learn technical knowledge and skill for a definite purpose. Development on the other hand is a long term educational process utilizing a systematic and organized procedure by which managerial personnel learn conceptual and theoretical knowledge for general purpose. Cambell, (2001:352) asserts that training refers only to instruction in technical and mechanical operations while development refers to philosophical and theoretical educational concept.

### 3. Job performance

Job Performance is a multidimensional phenomenon whose elements include effectiveness, efficiency, productivity, quality and behaviour. (Obadan, 2009). The sub-concepts of job performance are explained as; effectiveness which measures the extent to which an employee achieve the output requirements of his or her position, with the emphasis not so much an how it is achieved but on organization or employee is therefore effective when the results attained are the same as those initially intended. Efficiency is a measure of how well resources are being used to produce output or result. It is a comparison of actual achievement during a given period. Quality refers to the desired characteristics of the achieved output or result. These could be timeliness, reliability, accuracy frequency accessibility, convenience, mating time and response time.

## DATA AND METHODOLOGY

The study utilized both primary and secondary data sources. Primary data was obtained using a structured questionnaire. Secondary data was sourced from reading literature in secondary sources like journals, textbooks, reports public service and other relevant sources The study utilized the correlation research design. Correlation design sought to establish a relationship between variables. This was done at bi-variate and multivariate levels.

### 1. Model estimation

This model was developed in analyzing the different variables and is applied as follows

$$\text{Log} \left( \frac{P_i}{1-p_i} \right) = b_0 + b_1 \text{IN} + b_2 \text{TO} + b_3 \text{TC} + b_4 \text{ONT} + b_5 + \text{OFT} + b_6 + \text{SA} + b_7 + \text{KA} + b_8 + b_9 + \mu$$

Where  $p_i$  = the probability of being a good performer

$b_i$  = unknown coefficients to be estimated

$b_0$  = the constant (average chance)

$\mu$  = Error term

IN = identify training needs

TO = Training objectives

TC = Training content

ONT= On-the-job techniques

OFT= Off-the-job techniques  
 SA = Skills application  
 KA = Knowledge Application

**RESULTS AND DISCUSSION**

The study carried out a multi-variate analysis in a logistic regression analysis to establish the magnitude of effect all the seven components (identify training needs, training objectives, training content. On the job technique, off the job technique and then skills application as well as knowledge application) have on job performance and results are presented below

**1. Logistic regression model summary between independent variables and job performance**

**Table 1 Showing Regression Model Summary**  
 Model Logistic Regression Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	17.449 <sup>a</sup>	.687	.935

a. Estimation terminated at iteration number 9 because parameter estimates changed by less than .001.

In this study, a logistic model regression was used and results indicated a value of R<sup>2</sup>= 0.687. This implies that 69% of the total variation in the dependent variable (job Performance in the banking sector) was explained by the 7 variables in the model. This also implies that these factors explain 69% contribution towards job performance, therefore the presence of these factors contribute 69% towards employees job performance in the bank. Therefore identifying training needs, training objectives, streamlining training content, having better techniques of training both on job and off job and also evaluating the training process where skills and knowledge application are key aspects in the evaluation process are significant factors in determining the job performance of employees in the banking sector. Therefore according to this study, the presence of these factors means that employees’ job performance occurs by 69% in the banking sector.

## 2. Logistic regression between independent variables and employees performance

**Table 2 Showing Logistic Regression Between Independent Variables and Employees Performance Variables in the Equation**

Step 1 <sup>a</sup>		B	S.E.	Wald	df	Sig.	Exp(B)
	Identify needs	3.451	1.306	6.984	1	.008	31.547
	Training objectives	3.807	1.768	4.636	1	.031	45.015
	Training content	3.819	1.935	3.895	1	.048	.022
	Onjob	1.032	.480	4.616	1	.032	2.807
	Offjob	2.588	1.013	6.527	1	.011	13.298
	Skills applicationn	1.778	.496	12.826	1	.000	5.918
	Knwldgeapplctn	.191	.416	.212	1	.646	1.211
	Constant	5.489	1.074	26.141	1	.000	.004

a. Variable(s) entered on step 1: identfyneeds, traingobjectives, trainingcontent, onjob, offjob.skillsapplcn, knwldgeapplctn.

In the study above all the independent variables used were found to be significant at 0.05, except for knowledge application in the training evaluation process which did not show any significant effect towards job performance in the banking sector. These included; identify training needs, training objectives, training content, on the job technique, off the job technique and then skills application. Therefore their presence has a significant effect on job performance of employees in the banking sector.

### CONCLUSION

Identifying training needs in the training process, having clearly streamlined training objectives, articulated training content and applying off the job training techniques significantly influence job performance in the banking sector. Therefore the existence of these factors significantly determines how employees are likely to perform in their respective tasks on job. Among the tested factors identifying training objectives and training needs were proved to be of a more significant importance in predicting job performance in the banking sector in Uganda. Therefore to having properly defined training objectives and having in place a proper way of identifying training needs determines much of employees' job performance in the long run.

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