IMPACT OF TRAINING AND DEVELOPMENT ON EMPLOYEE PERFORMANCE IN NEPALESE COMMERCIAL BANKS

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DOI: 10.5958/2279-0667.2022.00011.6

ABSTRACT

The main purpose of this research was to investigate the effects of training and development on employee performance in the commercial banks of Nepal. The study was of importance to the management of commercial banks in Nepal in understanding the successes and challenges of the training and development and its effect on employee performance. Primary data source is used. For the survey, 417 employees were randomly selected from all twenty seven commercial banks in Nepal who were given the self-composed questionnaires. The data analysis was conducted through the calculation of frequencies; mean, standard deviation, correlation and regression analysis. The findings were presented in tables and different models. The study showed that employees’ performance is highly affected by the training programs assigned by the banks helping the employees to increase their competitiveness, skills and their overall performance; while the role of employee motivation on their performance is directly significant which helps the employees to strive for more recognition in the organization.

KEYWORDS: Training and Development, Commercial Banks, Employee Performance, Training Programs, Nepal.

1. INTRODUCTION

In order to remain competitive in an increasingly globalised world, organizations place high priority on continuous learning in order to upgrade employee's skills and competencies. Companies with learning cultures will be able to adapt and succeed in today’s changing business environment. In the current cut-throat environment, it is very crucial for the organizations to recognize their strengths in order to achieve its competitive advantage over their competitors. Human capital is the major strength of any organization in order to survive this ruthless competition and to be able to see growth in a long-term basis. For the organization to be successful, it needs to ensure that it obtains and retains skilled, committed and well-motivated human resource it needs as well as attain and fulfill their learning and development opportunities.

Organizations are facing increased competition due to globalization, changes in technology, political and economic environments and therefore prompting these organizations to train their employees as one of the ways to prepare them to adjust to the increases above and thus enhance their performance. It is important to not ignore the prevailing evidence on growth of knowledge.
in the business corporate world in the last decade. This growth has not only been brought about by improvements in technology nor a combination of factors of production but increased efforts towards development of organizational human resources. It is therefore, in every organization responsibilities to enhance the job performance of the employees and certainly implementation of training and development is one of the major steps that most companies need to achieve this. As is evident that employees are a crucial resource, it is important to optimize the contribution of employees to the company aims and goals as a means of sustaining effective performance. This therefore calls for managers to ensure an adequate supply of staff that is technically and socially competent and capable of career development into specialist departments or management positions.

In contemporary society, where the reward for skills is high, as are the negative effect of a lack of skills, individuals and organizations need to prioritize T&D in order to upgrade skills. Employee T&D is an integral part of the pursuit of improved growth and productivity. Indeed, the need to invest in the current labor force is more urgent than ever before, since the ability to compete is dependent on knowledge development and how well that knowledge is managed and utilized. Therefore, the goal of T&D should be to enhance constant knowledge acquisition and innovation. Organizations should create a situation where knowledge is shared in order to promote their strategic plan. In the contemporary economic environment, capital moves fast from one location to another. Attracting, developing and retaining motivated, skilled and satisfied employees is essential for organizations that wish to improve productivity. While it has been widely acknowledged that training helps to develop employees' skills, enhance the quality of their work, improve productivity and build employee loyalty to an organization, some organizations do not provide sufficient support for T&D, while others implement it in an ad-hoc fashion.

Training and development enhances the ability of an organization to be knowledge intensive and at the same time enables employees to take up new jobs or tasks efficiently. Therefore, T&D offers an organization an opportunity to improve efficiency and productivity both in the long and short term. Maintaining improved productivity and performance is a function of having the right skills. It has been consistently argued that T&D has the potential to enhance the ability of employees to make maximum use of the company's resources. It is observed that T&D helps workers build their individual skills, knowledge and abilities, which will eventually help them to make substantial contributions to organizational performance and productivity. In the globalised world, organizations continually seek sustainable competitive advantage through human resource capital differentiation. Training can no longer be regarded as a waste of time, money and other resources. Many workers have not done well in organizations because of a lack of basic T&D. These employees may want to do well but still fail because they do not have the prerequisite skills and knowledge which can only be obtained through T&D. To overcome these challenges and build a solid manpower base, some countries have enacted laws that require organizations in both the private and public sectors to spend a fixed percentage of their budget on staff training.

Training departments also are under constant pressure to exhibit their organizational values in the same terms because organizations repeatedly spend considerable amount of their time, effort and money on employees’ training and development activities which is not usually appreciated by their employees and are taken as a burden not as an opportunity for self-

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development and self-acquisition. Thus, resulting in less proper outcome and wastage of such effort put in by the organization as no improved performance by the employees.

Holton (1995), defines performance as a multi-dimensional construct where, the measurement differs with the variety of factors. Whereas, Armstrong (2000), explains performance as both behavior and outcome and gives emphasis on both behavior (input) and outcome (output) to be considered while measuring a performance. Performance is the acroistics of an individual and unit of the organization. Other than external factors influencing the individual’s personal traits and behavior, an organization can take control over all the other factors that affects the individual’s behavior and actions. Formal communication greatly can influence individual; work ethics and style of management.

All the aspects of employee performance are related to the work of the employees and is affected by it directly or indirectly. Both behavior and outcome is performance where behavior illuminates the performer and transforms performance from abstraction to actions. Within the high performance work level, training is aligned and integrated with the actual work that needs to be performed in the workplace. Thus, employees need to be trained in a group dynamics and interpersonal relation where they need to be explained about the way all the departments are inter-related and requires each other’s coordination in work for the organization to drive to success.

With the constant and continuous change in political as well as economic environment, organizations need to coach and monitor their employees to prepare them to take on any kind of competition no matter the level of difficulty and adjust in any sort of circumstances by enhancing their performance. There has been a great growth in knowledge, skills and competencies in the current business scenario since the last decade and these growths cannot be ignored. This growth was not only brought by improvements in technology and a combination of factors of production but also with the increase in effort of human resource development (HRD). (Evans et al, 2002). This show how important is training and development programs for any organization to have a competitive advantage against its competitors with the same kind of business.

Therefore, it is the obligation of every organization to enhance the job performance of its employees and implement proper and needed training and development programs as it is one of the major steps every organization requires to attain for a successful growth. This prompts to call the managers ensuring them that every employee is capable and able to fulfill their own responsibilities technically and sociably as some departmental specialists. (Afshan et al, 2012). Management of a commercial bank is challenging compare to economic sector as supervising human resource is a crucial factor in the administration of commercial banks. Every scenario of a commercial bank is highly based on its human capital and its development for them to cope up with the always changing demands in the banking sector. Thus, it has become inevitable for the banking industries to seriously give focus on forming systems for human resource development.

The first commercial bank in Nepal, Nepal Bank Ltd (NBL) was established in the year 1994 B.S. This was a major milestone in the history of Nepal as the nation that entered into official financial system. Nineteen years later, after the foundation of NBL, the Nepal Rastra Bank (NRB) was established in the year 2013 B.S. In the present context, there are 27 commercial banks in Nepal. However, due to high level of competition and implementation of new policies, these commercial banks are in the verge of collapse and few are even merging together in order to reach the paid up capital of at least Rs. 8 billion according to the monetary policy of the
fiscal year (The Himalayan Times, 2017). Hence, the employees must be trained in order for the bank to be well-established and for employees to polish their skills and improve their performance and give their best effort for the organization they work under.

Alnawfleh (2020) examined on effect of training and development on employee performance in the Aqaba Special Economic Zone Authority. Major objectives were to examine the impact of T&D on employee performance and to evaluate the T&D programs that were provided by the Aqaba Special Economic Zone Authority. Descriptive, co-relational and cross-sectional research designs were used. Primary data were based, 112 samples were declared as valid sample. Data were collected through structured questionnaires and pilot testing and based on Likert 5 rating scales. Descriptive Statistics and T-test was used to analyze the data and to test the hypothesis.

This study covered up the training and development programs on the employee performance in the Aqaba Special Economic Zone Authority, and revealed that the T&D programs can explain (30%) of the employee performance.

Chauhan (2019) investigated on impact of training and development programs on motivation of employees in "A" graded commercial banks of Nepal. Major objectives of the study were to find out how training and development impacts on motivation of employees in banking sector. Descriptive research design was used. Primary data were used, 40 samples were declared as valid sample. Data were collected through structured questionnaires and based on Likert scales. Descriptive Statistics and Chi- Square were used to analyze the data and to test the hypothesis.

This study showed that training develops skills, competency and ability and ultimately improves employee performance and organizational productivity. Gautam(2018) measured on training culture and employees performance in Nepali banking industry. Major objectives of the study were to investigate if training cultures affects the performance of the employees and to find out the relationship between training cultures and gender. Descriptive and cor-relational research design were used. Primary data were used, 200 samples were declared as valid sample. Data were collected through structured questionnaires and based on Likert 5 scales. Descriptive frequency analysis, cross tabulation mean scores of responses, correlation coefficient, independent sample t-test, and hierarchical regression were used to analyze the data and to test the hypothesis.

The study focused that Nepali Banking Industry has established training culture to compete in competitive business environment.

Alfroz (2018) researched on effects of training on employee performance – A Study on Banking Sector, Tangail Bangladesh. Major objectives of the study were to investigate at which of the employees’ competency levels as to examine how training contribute to the individual performance and productivity and to identify perceptions of the employees on how training and development proved to be beneficial to them. Descriptive research design was used. Primary data were used; out of 400 populations 150 samples were declared as valid sample. Data were collected through survey questionnaires and based on Likert 7 scales. Descriptive analyses, T-test, ANOVA test were used to analyze the data and to test the hypothesis.

This research asserted that employees working in banking sector in region Tangail considered the Training as a main factor of employees’ performance. The study also focused that training and development programs should be associated with the employee’s career development, so that the performance and engagement level of employees could be enhanced along with achieving organizational goal.
Aliyu and Bello (2018) analyzed on impact of training and development on employee performance in Abubakar Tatari Ali Polytechnic (ATAP) Bauchi, Bauchi State, Nigeria. Major objectives of the study were to determine the level of training and development and level of employee performance in Abubakar Tatari Ali Polytechnic, Bauchi and to determine the relationship between training and development and employee performance. Survey research design was used. Primary data were used, out of 413 population 201 samples were declared as valid sample. Data were collected through closed-ended questionnaires and based on Likert 5 scales. Pearson Linear Correlation Co-efficient was used to analyze the data and to test the hypothesis.

The results showed that training and development improved employee performance, which lead to increase in employee efficiency effectiveness thereby, increase in organizational productivity.

Shafiq and Hamza (2017) examined on the effect of training and development on employee performance in private company, Malaysia. Major objectives of the study were to investigate the effect of on the job training and off the job training on employee performance in Private Company and to investigate the effect of Job Enrichment and Job Rotation on employee performance in Private Company. Explanatory research design was used. Primary data were used, out of 600 population 100 samples were declared as valid sample. Data were collected through structured questionnaires and based on Likert 5 scales. Descriptive correlation and regression analysis were used to analyze the data and to test the hypothesis.

The study explored training and development will give benefits for employees such as better position and better career life and it make efficiency of the organization enhance.

Esha (2016) investigated on a study of effectiveness of training & development program on bank employee’s performance. Major objectives of the study were to examine level of performance in terms of imparting training and investigate the effectiveness of training and development on employees’ performance as in fulfillment of their duties Descriptive research design was used. Primary data were used, 105 samples were declared as valid sample. Data were collected through questionnaires and based on Likert 5 scales. Correlation and regression analysis were used to analyze the data and to test the hypothesis. The research stated that training to a big extent leads to bring out positive change in employee’s performance.

Katua (2015) researched on effect of training and development strategies on the performance of commercial banks in Kenya. Major objectives of the study were to investigate the effect of training and development strategies on the performance of commercial banks in Kenya and to investigate the extent to which commercial banks in Kenya engage in training needs analysis and development activities. Survey research design was used. Primary and secondary data were used, 349 samples were declared as valid sample. Data were collected through questionnaires and interview. Statistical analysis was used to analyze the data and to test the hypothesis. The result concluded that training and development strategies affect the performance of commercial banks to a great extent.

Tahir, Yousafzai, Hashim and Jan (2014) analyzed on the impact of training and development on employees performance and productivity in Pakistan. Major objectives of the study were to investigate whether training and development has impact on employees’ performance and productivity and to identify employees’ competency levels as enhanced by the training and development implemented. Survey research design was used. Primary data were used, 76 samples were declared as valid sample. Data were collected through questionnaires and based
on Likert 5 scales. Descriptive statistics and regression analysis were used to analyze the data and to test the hypothesis.

The study stated that training and development would provide opportunities to the employees to make a better career life and get better position in organization.

Elnaga and Imran (2013) measured on the effect of training on employee performance. Major objectives of the study were to investigate meaning and importance of training and its significance on employee performance, to explore the relationship between training and employee performance and to develop guidelines for assessing the employee performance. The study investigated that training has positive impact on employee performance and also increases organizational productivity.

1.1 Statement of the Problem
As various studies indicate, organizational goals and objectives can be effectively achieved with an active and responsible contribution of its employees. Falola et al. (2014) asserts that employees are the indispensable asset and key element of gaining competitive advantage of any organization, and training is essential tool for its actualization. That is, training and development are believed to be indispensable strategic tools for effective individual and organization’s performance. For this reason, organizations have been spending money on it with confidence that it will earn them a competitive advantage in the world of business (ibid). Accordingly, this study is aimed at analyzing the staff development programs conducted by the Bank.

The success or failure of any business depends on the quality of its human capital and, while it is widely recognized that training and development play an important role, there are still many concerns as to which kinds of training, development and skills acquisition bring economic success. More importantly such training and development have to be immediate, quantifiable and applicable to the job nature of these companies. Training and staff development should assist individual performance to impact positively on organizational productivity both in the short term and in the future. As asserted by Becker, Antuar & Everett (2011) performance is associated with quantity of output, quality of output, timeless of output, presence or attendance on the completed and effectiveness of work completed. Otherwise, where manpower resources development of an organization is not given the appropriate attention, the implication could be poor organizational performance.

Training and development leads to improved performance for employees as well as organizational performance. Sloman (2012) agrees that training and development increases performance due to the fact that it’s a process that is carried out in a systematic way geared towards improving personnel competencies by imparting them with relevant skills and knowledge required to perform both current jobs and for their future growth. This allows an organization to take advantage over its competitors as its people are ready to respond to new environmental changes.

Both developing and developed countries have suffered from the ineffectiveness of their training programs. There is a significant body of literature which discusses the reasons why training programs in developing countries do not lead to the desired outcomes. Many studies argue that most of the training and development programs in developing countries have failed to achieve their expected results mainly due to their inability to design a training program that targets specific objectives (Healy, 2001: cited in Ahmad Al-Nuseirat and Mhamed Biygaute). Healy (2001) states that various training programs were offered in government
organizations in some developing countries, but they were very ineffective in the sense that they were very theoretical and too broad, and were not directed towards achieving any specific objectives. According to Healy (2001), the training programs were not responsive to the needs of the employees as their needs or weaknesses have not been identified, and there was also no coordination among the different stakeholders within these organizations.

In Nepalese banking sector, employees’ willingness for training and development is not much seen and they do not seem really enthusiastic about such curriculums. They participate in these types of activities only for the sake of mandatory attendance and not for their personal growth and nourishment of their skills which leads to ineffectiveness of such training and development programs as well as does not complete the main purpose of such training programs set-up. This causes dissatisfaction among the employees leading to declination of employees’ performance. Moreover, the commercial banks in Nepal are not much concerned about increasing employees’ performance through regulation of effective training programs, assessing and honing their skills and building up their competency level.

The importances of training and development programs have been increasing over the years but there is limited literature on human resource development practices especially in developing countries like Nepal.

Furthermore, the commercial banks in Nepal are more focused on earning profit and increasing their number of customers which creates grievances among its employees which leads to degradation in employees’ performance. Training and development programs are still not taken as an important aspect of building employee’s confidence over their job by the organization and self-improvement or personal growth by the employees creating internal conflicts. Thus, this research study strives to gain more knowledge regarding these matters as well as find out more about how training and development in the commercial banks of Nepal really affects the performance of its employees.

The study initiates to conduct the following research questions:
1. What is the present scenario regarding the training and development and its effects on employees’ performance?
2. Is there any relationship between training and development activities on employees’ performance?
3. What is the impact of training and development activities on employees' performance in Nepalese commercial banks?

1.2 Objectives of the Study
In light of the above background, the aim of the study is to examine the effects of training and development on employee performance within the commercial bank in Nepal. Some of the specific objectives of this paper are:

i. To identify the present scenario of training and development programs on employee performance in Nepalese commercial banks.
ii. To examine the relationship between training and development activities and employees’ performance.
iii. To evaluate the impact of training and development activities on employee performance in Nepalese commercial banks.

2. METHODOLOGY
Research design is the plan and blueprint alike for an investigation conceived for collecting information and answers to questions of the research in a systematic procedure. The approach
and design that meets the objectives of the research perfectly or better is the use of cross sectional design combined with descriptive and analytical research design. This study adopted survey approach. This study was guided by three independent variables: training and development needs, employee motivation and training programs, while the dependent variable is the employee’s performance.

In the study, the targeted population consists of employees from Nepalese commercial banks within the Kathmandu valley. Among all the 27 commercial banks (as per NRB report of Mid April 2021) which are operating in Nepal.

Primary date has been used for the study. The primary data were collected from the field of the study with the use of self-managed questionnaires. A five-point scale, Likert scale has been applied to get rid of any errors in order to improve the validity and reliability of the data collected. The questionnaires have been typed in English for every respondent convenience and minimize any confusion. Additionally, secondary data has been used by reviewing published journal articles on training and development, press publications and reports on employee performance.

The data has been collected through typed questionnaires distributed to the selected commercial banks in Nepal. The data collected processed through several stages of compiling, sorting, editing and coding before analysis for accuracy, completeness and quality output. For the measurement of the relationship between independent variable (training and development) and dependent variable (employee performance), quantitative method has been used. The data has been further analyzed using computer software, manipulated using cross tabulations and analyzed using descriptive statistics. These instruments have been used for the purpose of ensuring all these instruments are reliable and accurate. Furthermore, to establish the relationship between independent variables and dependent variable, Pearson’s correlation coefficient was used and to determine the contribution of training and development in employees’ performance multiple regression analysis has been conducted. For this study, some of the important statistical tools have been used for the measurement of relationship between the independent and dependent variables, such as mean, standard deviation, correlation coefficient and regression models.

3. RESULTS AND DISCUSSION

<table>
<thead>
<tr>
<th>Variables</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>212</td>
<td>50.8</td>
</tr>
<tr>
<td>Female</td>
<td>205</td>
<td>49.2</td>
</tr>
<tr>
<td>Total</td>
<td>417</td>
<td>100</td>
</tr>
<tr>
<td>Age in years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below 20</td>
<td>36</td>
<td>8.6</td>
</tr>
<tr>
<td>21-30</td>
<td>290</td>
<td>69.5</td>
</tr>
<tr>
<td>31 and above</td>
<td>91</td>
<td>21.8</td>
</tr>
<tr>
<td>Total</td>
<td>417</td>
<td>100</td>
</tr>
<tr>
<td>Marital status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>177</td>
<td>42.4</td>
</tr>
<tr>
<td>Single</td>
<td>240</td>
<td>57.6</td>
</tr>
<tr>
<td>Total</td>
<td>417</td>
<td>100</td>
</tr>
</tbody>
</table>

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Table 1 shows the demographic profiles of sample employees of all commercial banks. The respondents were asked to indicate their gender. The findings were as indicated as in Table 4.7. 49.2% of respondents were female whereas, 50.8% of respondents are male. This shows that both male and female are attracted to work in banks and equal priority is provided. It shows 8.6% of the respondents are less than 20 years, 69.5% lies between age group of 21-30 years and 21.8% of the respondent lies above 31 of years. This, therefore, shows that more than half of the respondents are at the starting or mid-career, stating that more training are likely to be held to make them better suited for their positions and possibly perform better in their duties and responsibilities. The respondents were asked to indicate their marital status. Here, 57.6% of the respondents are single while 42.4% of the respondents are married. This shows that more than half of the respondents had the time to take part in extra training and development programs organized by the bank, which are single and has more free time than the married ones who tends to be busier.

It is seen that 25.4% of the respondents have worked with their current organization for below 2 years and 53.2% of the respondents have worked for 2-5 years with their present organization. Also, 16.8% of the respondents have worked for 6-10 years with their current organization and 4.3% have worked for above 10 years for their present organization. The respondents were asked to indicate their job role in their organization. From the results, 54.7% of the respondents are currently working in clerical position, 29.0% of the respondents are in the supervisory level whereas, 16.3% of the respondents are in the managerial post for their current job. This shows that majority of the respondents are in a clerical position who are given the opportunity to participate in training programs in order to learn various positional works that are to be followed in the organization on a daily basis.

3.1 Descriptive Statistics

The table shows the descriptive statistics of training and development needs, training program, employee motivation and employee performance of 3 sampled commercial banks of 417 observations. Descriptive statistics includes mean, minimum, maximum and standard deviation.

Table 2

Mean and Standard Deviation of variables
Table 2 shows that, mean of training and development need is 3.82 where areas mean of training program is 3.88. Again, mean of employee motivation is 3.94 where mean of employee performance is at 3.89. From the above descriptive analysis, it represents that the mean of each variable is more than 3. Again, from the descriptive analysis of the data, it shows that standard deviation for each variable is less than 1 except training and employee job satisfaction. According to Cohen (2003), for the normal distribution of data standard deviation must have a range of 0 to 1. As is evident that the standard deviations of three variables fall within the range, the data may be considered normally distributed.

3.2 Inferential Statistics

Inferential statistics are concerned with making inferences based on relations found in the sample, to relations in the population. Inferential statistics help us decide, whether the differences between groups that we see in our data are strong enough to provide support for our hypothesis that group differences exist in general, in the entire population.

3.2.1 Correlation Analysis

Correlation is the statistical measure that indicates the extent to which two or more variables fluctuated together. Correlation coefficient is a statistical measure of degree to which changes to the value one variable predict change to the value of another. Correlation between dependent variable (employee performance) and independent variable (training and development needs, training program and employee motivation) has been tested in this research. Hypothesis is initially tested through bi-variate correlation matrix measured by Pearson's correlation coefficient which can be seen in table below.

| TABLE 3 CORRELATIONS BETWEEN EMPLOYEE PERFORMANCE AND TRAINING AND DEVELOPMENT NEEDS |
|-------------------------------------|----------|----------|----------|
|                                     | T&D Needs | TP       | EM       | EP       |
| Training and Development Needs      | Pearson Correlation Sig. (2-tailed) N | 1        | 0.816** .000 417 | 0.819** .000 417 | 0.744** .000 417 |
| Training Program                    | Pearson Correlation Sig. (2-tailed) N | 1        | 0.822** .000 417 | 0.734** .000 417 |
**Correlation is significant at the 0.01 level (2-tailed)**

From the results shown in Table 3 employee performance has $r = 0.744$ correlation with training and development needs. Thus, there is positive relationship between these two variables. Similarly, correlation between employee performance and training program is 0.734 that is positively correlated. Also, the correlation between employee performance and employee motivation is 0.814 that is positively correlated.

The p value is recorded to be 0.000 that is highly significant, so that it can be said that within the given sample there is positive relationship between employee performance and training and development needs, training program and employee motivation. Further, it can be interpreted that increase in one variable result in increase in another one also. Result concluded hypothesis 1, 2 and 3 is accepted at 0.01 level of significance.

The result can be concluded that unbiased and fair training and development needs, training program and employee motivation helps to enhance employee performance.

### 3.2.2 Regression Analysis

**TABLE 4 REGRESSION RESULTS OF EMPLOYEE PERFORMANCE AS DEPENDENT VARIABLE AND TRAINING AND DEVELOPMENT INDEPENDENT VARIABLE.**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficient</th>
<th>Standardized Coefficient</th>
<th>95.0% Confidence Interval for B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>-1.04</td>
<td>.137</td>
<td></td>
</tr>
<tr>
<td>TD</td>
<td>.203</td>
<td>.059</td>
<td>.183</td>
</tr>
<tr>
<td>TP</td>
<td>.144</td>
<td>.065</td>
<td>.120</td>
</tr>
<tr>
<td>EM</td>
<td>.674</td>
<td>.065</td>
<td>.265</td>
</tr>
</tbody>
</table>

$R^2 = 0.68$  
$F=298.4$  
d.f=3,413

Source: Field Survey, 2021

Dependent Variable: employee performance
Independent variables: training and development needs (TD), training programs (TP), employee motivation (EM)

It is observed that the explanatory power of the $R^2$ is 0.68 indicating that 68 percent variation in the level of employee is explained by variation of the independent variables included in the model. The F statistic of this model is also statistically significant at 1 percent. It is hypothesized that the signs of all independent variables are positive and significant. The sign of TD, TP and EM observe with a positive impact on employee performance which is just the in favor of as per priori.

It is found that other variables keeping constant, one percent point increase in EM leads to 0.674 percent on the level of employee performance. Similarly, it is noted that one percent point increase in TD increases by 0.203 percent on the level of employee performance if other variables keeping constant. All three independent variables are significant at 1 percent level of significance.

The general objective of this research was to assess the effect of training and development on employee’s performance and productivity in commercial banks in Nepal. Most of the respondents through their answers confirmed the important role of training and development on their performance and productivity. According to responses training and development methods and activities brought new potentials for employees when performing task and resulted in increased performance and productivity.

Descriptive statistics in the form of means provide evidence that training and development are essential key variables that definitely lead to enhancement in performance and increased productivity. Toward a better understanding of the effects of training and development in chosen banks, this research points out the need of training and development for the employee, determines the major types of training programs, discusses the extent of employee motivation and decide the overall effect on employees performance, productivity, and over all organizational performance.

Inferential statistics, on the other hand generated tabulated statistics that shows the results of correlations, coefficients and regressions on the data collected from 417 respondents through questionnaires. After applying the linear regression on the collected data to check the cause and effect relationship between independent variables (training and development needs, training program and employee motivation) and dependent variable (employee’s performance) the above mentioned result has been drawn. The probability of f-statistic shows the significance level of the research. According to the standard if the p value is < 0.05 so than it is significant.

In this study the above given tables demonstrates the p value is 0.000 which is < 0.05 thus the model of the research is statistically significant. So the independent variable of the study, training and development, has significant relationship with dependant variable of the study, employees performance and productivity. Finally, the standardized values of the above mentioned tables illustrate obviously that independent variable training and development have a positive impact on employee’s performance in this study.

Training generates benefits for the employee knowledge, skills, ability, competences and behavior. From the findings most respondents strongly agreed that training develops skills and competences to improve performance, it reduces learning time for employees starting new jobs on appointment, transfer or promotion and training helps to reconcile the gap between what should happen and what is happening to increase the level of performance. Training has
significant impact and positive relationship with employee performance and developments areas.

The primary objective of the current study was to examine direct relationships between training and development variables (i.e. training and development needs, training program and employee motivation) and employee performance. Confirming to the developed hypotheses, the findings of data analysis showed that training and development needs have positive relationship with employee performance (hypothesis I held true) and according with the result showed, there is positive relationship between training program and employee performance (hypothesis 2 also held true). And also there is strong positive relationship between employee motivation and employee performance (hypothesis 3 also held true). Armstrong (2003) all organizations are concerned with what should be done to achieve sustainable high level of performance through people. While Price (2005) states that managing employee performance every day is the key to an effective performance improvement.

4. CONCLUSIONS AND IMPLICATIONS

Based on the results of the study, it became clear that training and development strategy was a haphazardly carried out activity at commercial banks. Although the respondents were aware of the various aspects of training and development, there was no strategic framework in place as the basis for an operational plan for the training and development strategy even though all respondents indicated that training and development was part of the strategic business plan process of commercial banks.

The study inferred that training and development needs are important for an organization. It was further identified that employee’s needs are not evaluated often by the organization for training and development. In addition, there is a necessity for the organization to train its employees as soon as they finish assessing them as a remedy to help them perform better. In order to improve the employee performance, it was concluded that the organization needs to value its employees and strive to better and improve their work every day. The findings also depicted that the organization does not focus on both individual as well operational needs when carrying out organizational assessment. Also, the result shows that training and development needs has no significant relationship with the demographic profile of the respondents. Training and development needs must be taken as a continuous process which directly impacts on their overall performance.

The study concludes that there is availability of training programs in the organization. However, more training programs should be undertaken as it was revealed that not everyone in the organization is given a chance to participate in the training programs. Moreover, the finding indicates that training programs has significant relationship with age, marital status and length of service of the respondents. Training programs should be seen as a key tool for developing employees and improving their skills and performance.

On employee motivation, the study recommends the organization to adopt other ways of motivating its employees with bonuses, fringe and benefits, holiday vacations among others as employee motivation is the most essential as well as vital process to improve the performance of the employees.

Further, the study has shown training enhances employee performance by influencing employee alignment to organizational goals and motivation for work performance. The management of the commercial banks in Nepal, therefore, needs to ensure training strategies are not only aligned to productivity but also to enhancing employee motivation for superior performance.
The study concludes that training and development affects employee performance positively. It shows that training and development needs are essential for an organization. It was further concluded that the organization does not identify and assess employees need for training and development more often. The study also concludes that more training programs should be undertaken. The study recommends that the organization should assess employees need for training and development more often and conduct them as need arises. It is also recommended that the organization should train its employees as soon as they finish evaluating them as a remedy to help them perform better.

Training and development is very much significant for any organization to struggle with this challenging and changing world. Training and development is basically directly related to employee but its ultimate effect goes to organization because the end user is organization itself. This study will help organization to understand the importance of training and development. It will also help organization to understand which factor is important to keep in mind during the training and how a good training can be delivering to their employees. It will help them to understand that it is very necessary for them to give training to their employees so that they could perform the assign task in a better way.

In any organization employee performance is not only the determinant to achieve the organization goal many others factors are included such as training and development needs, training program and employee motivation of the employee which ultimately help them to achieve organizational goal as well as personal goal of the employee. To increase the employee performance any organization need extensive training program and formal training evaluation method to access the effectiveness of training.

This study investigated the effects of training and development on employee performance in commercial banks in Nepal. Since training and development has imposed positive impact on employee performance in context of commercial banking sector of Nepal. It can help to create sustainable competitive advantage over other key players. Bank should develop a sound training and development process where the performance of employee is evaluated through transparent systems. Training must be based on need based analysis and returns should be collected statistically. It should be a continuous process as it helps reduce cost in long run. The banks that consider training & development essential for their growth are significantly expanding their businesses. For new entrants, it is the most important factor that should be ensured before their business commencement if they want success in long run. The findings of data analysis showed that training and development needs have positive relationship with employee performance (hypothesis I held true) and according with the result showed, there is positive relationship between training program and employee performance (hypothesis 2 also held true). And also there is strong positive relationship between employee motivation and employee performance (hypothesis 3 also held true). Armstrong (2003) all organizations are concerned with what should be done to achieve sustainable high level of performance through people. While Price (2005) states that managing employee performance every day is the key to an effective performance improvement.

REFERENCES


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