



EFFECTS OF TRAINING ON EMPLOYEE PERFORMANCE

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Abstract

In recent years, businesses are characterized by organizational changes, aggressive competition, and financial innovations which are the result of technological advancement. Financial innovation has introduced new payment methods which greatly require more training to be understood and implemented by commercial banks. To maintain and improve the quality of products and services they offer, the profitability and sustainability of the business, it is of particular importance for financial institutions, especially commercial banks to engage in ongoing investment in employee training and development. There are large number of studies examining the link between training and employee performance where most support the positive link between training and employee performance.

Keywords: Training, Employee performance, Motivation, Human resource

INTRODUCTION

There has been a growing interest in human resource management (HRM) in Kosovo since the early 1990s. Given the government's recent policy of identifying and encouraging high-growth SMEs, a particularly significant gap in the literature is any credible evidence regarding the possible links between business growth and training. To improve the internal efficiency and business performance of small and medium enterprises, a number of training initiatives have been introduced in Kosovo over the last decade. Providing training for SMEs is based on the premise that, training can, and should be, a powerful agent of growth, change a company, facilitating and enabling a company to grow, expand and develop its capabilities thus increasing benefit. An educated and trained workforce is considered to be essential for maintaining the competitive advantage of a business firm in a global economy.

However, Westhead and Storey (1997) suggest that employees in small and medium-sized enterprises are much less likely to receive training than their counterparts in larger organizations. They offer two possible explanations to account for this phenomenon. One is "ignorance", which suggests that small business owners are not aware of the benefits of training and consequently provides less than an optimal amount of it to their employees. Another is the explanation of "market forces", according to which business owners offer a less than optimal level of training, because they predict that the costs associated with training may exceed the benefits (returns) derived from it. These two conflicting arguments have important policy implications. If ignorance is the main reason for inadequate training, then either the owners / managers are poorly informed or the training is not traded with enough energy, or both. Such a situation would justify government intervention in the form of minimum training requirements or direct training subsidies for SMEs. If, on the other hand, the explanation of market forces is found to be superior, then covert intervention may prove completely ineffective. If we are to decide intelligently which policy direction to pursue, we must first examine the relationship between training programs and business performance, and determine the type and extent of benefits that training brings to SMEs.

This study aims to provide an overview of the effect of training on employee performance, their motivation and job satisfaction in the banking sector in Kosovo, where as a case study is taken one of the banks in Kosovo.

Research Questions

This research paper aims to analyze the impact of training on employee performance. Consequently, the research question is of an evaluative nature:

- Do trainings have an impact on employee performance?

In almost all Human Resource Management studies, employee training is positively correlated with employee performance, their motivation and job satisfaction / satisfaction, so through evaluation sub-questions we tried to analyze the interrelationship of these three variables:

1. How do trainings affect employee performance?
2. To what extent does training boost employee motivation?
3. To what extent does training promote job satisfaction and satisfaction?

LITERATURE REVIEW

Training Concept

Training is considered one of the most important concepts of Human Resource Management (Weil & Woodal, 2005). Organizations depend heavily on the knowledge, skills, and intellectual

competencies of their employees. For this reason, organizations have a human resources department that takes care of continuous investment in staff training so that their organizations are able to cope with technology and innovation changes and their performance is based on the organization's expectations (Beardwell, 2004). It is important that companies do not focus on general staff training because of the risk of workers being attacked by competitors by offering higher wages but they focus on specific employee training as it makes it difficult for competition to use workers' knowledge acquired during specific training and reduces the likelihood that workers will change jobs (Becker, 1962).

Employee performance

There are several indicators that can be used to measure the performance of either employees or the organization, whose performance directly increases the performance of the organization. According to Wood & Sangster (2002) some of the indicators that can be used to measure the performance of either employees or the organization are: effectiveness, efficiency, productivity, quality and profitability. Managers are responsible for the organization to achieve high levels of performance, so they set objectives that the organization must meet, whether monthly, quarterly or yearly, and since the organization's performance depends on employee performance, organizations measure the performance of each worker individually in relation to the predetermined objectives of the organization, to ensure that their employees are sufficiently contributing to ensuring the high quality of products and services (Daft, 2008).

The link between Training and Employee Performance

Most of the literature and preliminary studies show a positive correlation between training and employee performance. They show that effective training of employees increases their performance not only by making them competent in their work but also by improving their knowledge, skills and attitudes and this consequently affects the performance of the organization (Wright Geroy, 2010; Nassazi , 2013). Therefore the improvement of employees in these aspects enables them to be more efficient and effective in their tasks which results in increasing the performance of employees and achieving the objectives of the organization. Also, this correlation reduces job dissatisfaction, employee complaints and reduces staff turnover (Nassazi, 2013). As a result, organizations should be encouraged to continuously train employees to gain new knowledge and skills to help them perform their tasks efficiently and effectively.

Employee Training and Motivation

Many studies support the positive link between employee training and motivation. None defines motivation the same, but all definitions have some words in common in their definitions such as: desire, goals, needs, incentives, etc. (Grant, 2008). Based on Thomas (2002) motivation affects productivity and performance at work. Motivated workers are more oriented towards autonomy and freedom and are more self-oriented compared to less motivated workers (Ryan & Deci, 2000). As a result they are more committed to work compared to less motivated workers (Thomas, 2002).

Training and Job Satisfaction

According to Owens (2006), training has a positive effect on job satisfaction and employees who have been offered some form of training by their organizations are more satisfied than employees who have not attended any training. Also, Rowden and Conine (2005) argue that trained workers are completely satisfied with their work and this makes them satisfy the needs of clients as well. As a result of training, employees become more committed to their organizations, stay in an organization, perform well, and engage in tasks that benefit the organization (Aamodt, 2007; Wright & Bonett, 2007).

RESEARCH METHODOLOGY

The nature of this research paper is quantitative, and the research strategy is defined before the data is collected. Thus, as a method of data collection was used the survey questionnaire which was conducted by surveying bank employees via e-mail and interviews where selected respondents were called to find time for a short interview, but more detailed on the topic. Through the survey questionnaire, data were collected through which we wanted to see how much the training had an effect on their performance. For this research paper, the bank employees from all departments were selected for the survey, such as: Department of Business, Private Persons, Marketing, Administration, Finance, Back Office, Credit Risk, Human Resources, etc. Initially I had to talk to the human resources department of the bank, to present the content of the questionnaire and the interview, the need to work and use it, assuring you that the name of the bank, the participants and the answers to the questionnaire are completely anonymous. Out of a total of about 300 employees of the bank, it is intended to interview about 75 employees, and to interview about 15 of them. So, we used a random sample and every 4th worker was selected as a sample. Then, after selecting the sample I sent you the questionnaire via email. However, given that some of the staff were on vacation (annual, medical or maternity) and some were in training abroad, out of 75 emails sent, 52 employees

managed to answer the survey questionnaire. Meanwhile, workers who allocated time for interviewing were only 4.

RESULTS AND DISCUSSION

Quantitative analysis results

Assuming that respondents' age, gender and job position can influence their opinions about the effect of training on employee performance and job satisfaction, Tables 1 and 2 provide biographical information of respondents such as age, gender, position, work experience, information that indicates whether there has been a significant change in opinion on the topic based on age, gender and work experience.

Table 1 presents the age of the respondents and the experience in years of work in the bank where it is seen that the majority of 51% of the respondents are in the age group of 31-40 years and about 39% of them work 4-7 years. Table 2 presents the gender, job position (depending on which hierarchical level they belong to) as well as the level of education for the respondents where the respondents were almost equally female and male, most worked at the lower operational level and most had the bachelor level.

Table 1 Distribution of age and years of employment of respondents

Age	Age		Years of work (Work experience in years)		
	Number	%	Years	Number	%
20-30	17	32	0-2	8	15
31-40	27	52	3-8	24	46
41-50	8	16	>8	20	39
>50					
Total	52	100	Total	52	100

Table 1 Gender, level of employment and education of respondents

Gender	Gender		Employment Level			Level of Education		
	Number	%	Level	Number	%	Level	Number	%
Male	28	53	High			Bachelor	35	67
Female	24	47	Intermediate	8	15	Master	17	33
			Low	44	85	PhD		
Total	52	100	Total	52	100	Total	52	100

Table 3 presents the participation of employees in training and the criteria used for their selection in training from where we see that all employees have attended training, mandatory training has become part of the Institution and those necessary for all employees .

Table 2 Respondents' participation in trainings and the criteria used for their selection in trainings

Participation of respondents in Trainings			Criteria used for selection of respondents in training		
Answer	Number	%		Number	%
YES	52	100	By becoming part of the Institution	52	100
NO	0	0	On the recommendation of the supervisor	26	50
			Needed for all workers	52	100
			At your request	7	12
			Based on your performance	19	38
Total	52	100	Total	52	100

Figure 1 shows the time of training where about 75% of respondents answered that there is no specified schedule depending on the needs of the business hold training while Figure 2 shows the method used for training where about 50% of them stated that training keep them in the form of presentations.

Figure 1 How often do you attend training?

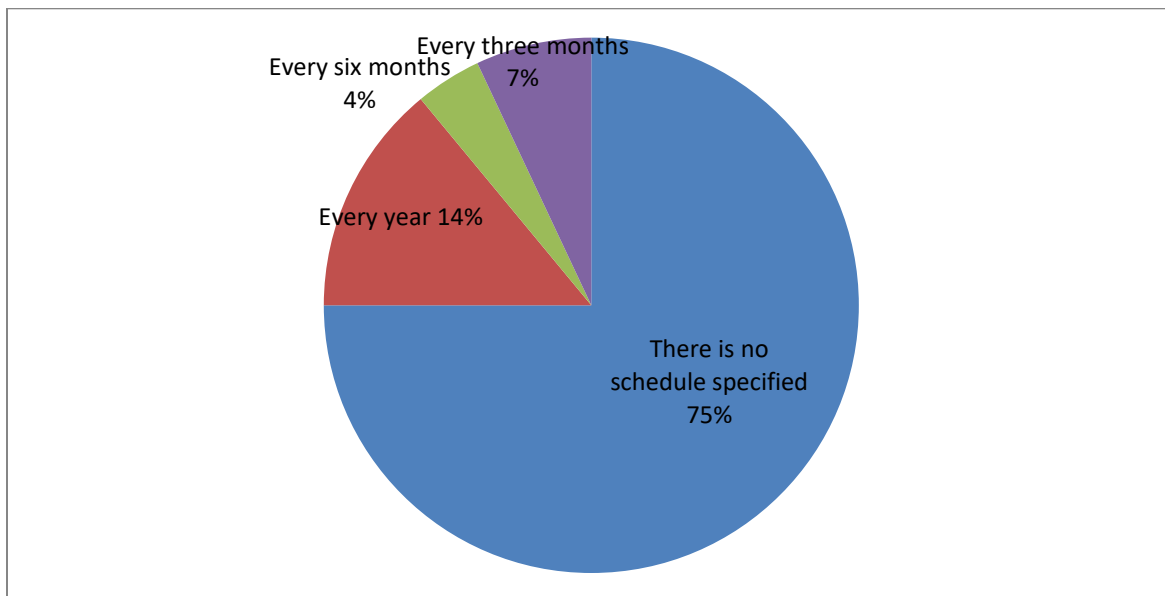
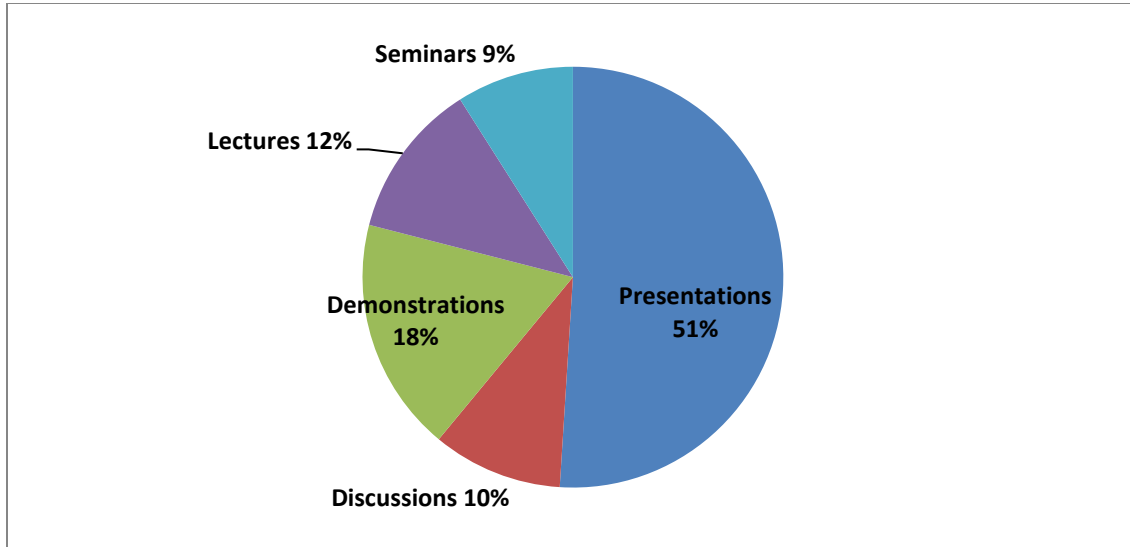


Figure 2 What training methods have you followed



Tables 4 and 5 present the effect of training on employee performance and motivation where in both tables we can see that more than 60% of employees agreed that training has a positive effect on employee performance and their motivation.

Table 3 The effect of training on employee performance

Answers	Number	%
YES	34	65
NO	18	35
Total	52	100

Table 4 The effect of training on employee motivation

Answers	Number	%
Not at all	2	4
Few	5	10
Pleasant	9	17
Many	36	69
Total	52	100

Figure 3 is related to Table 5 only the results are presented in the diagram to be seen more clearly, where it is seen that 69% of staff agree that training affects employee motivation, the answers are the same in Figure 4 where the same employees who agreed that trainings have a

positive effect on employee motivation also agreed that trainings have a positive effect on job satisfaction / satisfaction.

Figure 3 The effect of training on employee motivation

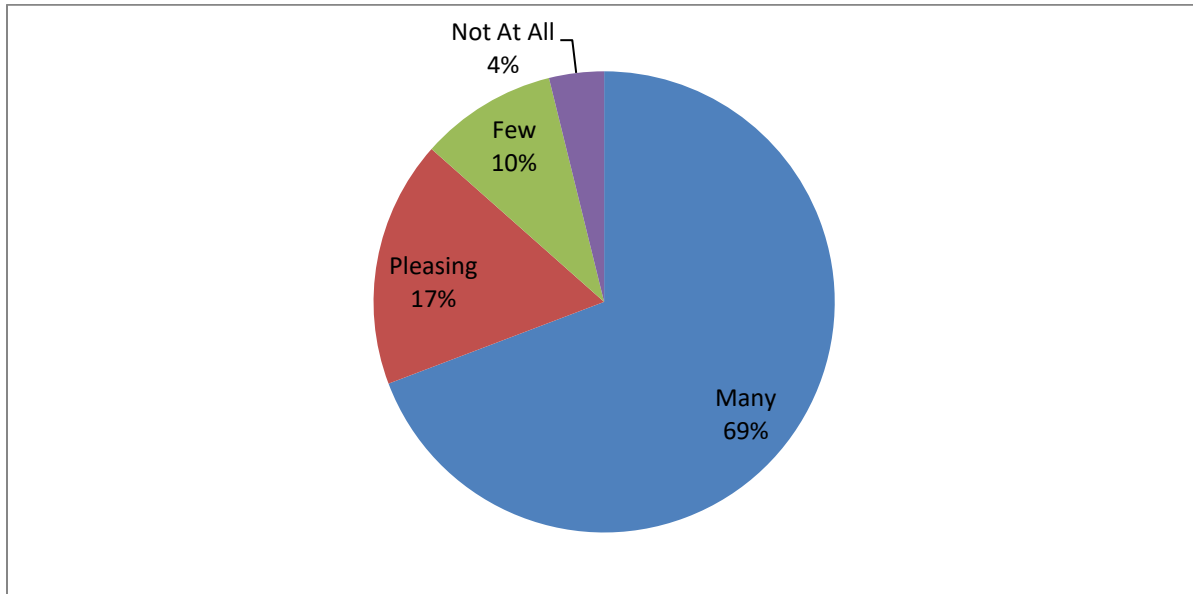
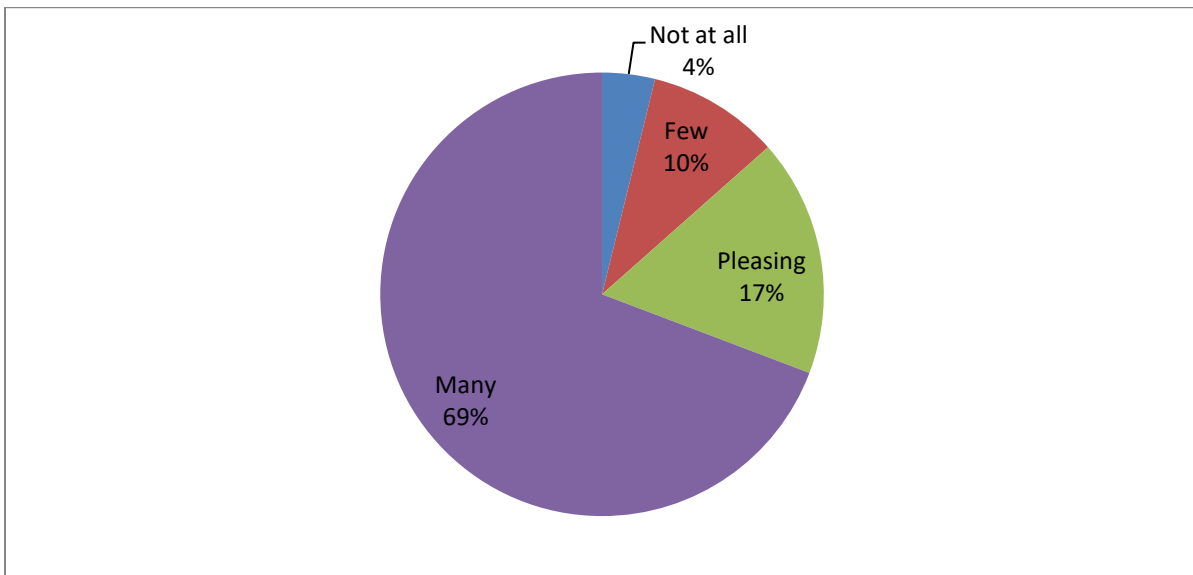


Figure 4 The effect of training on job satisfaction



Qualitative Analysis Results

The respondents show the positive effect of training on employee performance. Interviewer 1, admits that the trainings have had a positive effect on his motivation that has a direct impact on performance and job satisfaction, the trainings have helped him to assume responsibilities for

the job position. Similarly, Interviewer 2 states that he felt safer and more competent at work after attending training. However, Interviewer 2 states that there is mandatory general training for all staff which is not related to job responsibilities but helps familiarize them with the general information that every staff member should know.

In general, it was accepted by the interviewees that the Institution attaches great importance to staff training and that employees are able to perform work in accordance with business requirements. Also the results of the interviews leave room for development, Interviewer 3 says that we should not have a personal preference in selecting staff for training, a selection that is done at the request of the supervisor. Interviewer 4 agrees that the trainings greatly affect the motivation of employees and are of particular importance especially the specific trainings that the Institution can use as a competitive advantage in the operating market. So, in general, the interviewers express a positive correlation between the training and the performance of the employees, i.e. the motivation and the satisfaction of the work.

CONCLUSIONS AND RECOMMENDATIONS

The importance of training for organizations has been discussed at length in the literature and there are theoretical and empirical data which support the positive correlation of training, employee performance and employee motivation with the positive performance of the organization. This is because the success or failure of the organization in achieving the objectives is closely related to the training of its employees. It is therefore important that the management of the organization understands the importance of staff training and invests more in staff training. Seeing that we have institutions, businesses or organizations that do not recognize the importance of training, which can indirectly reduce the profitability of the company as employees turn out to have lower performance and be more demotivated, the work has examined the impact of training on employee performance, their motivation and job satisfaction in one of the banks in Kosovo. Institutions should always allocate funds for the training of workers so that they have sufficient skills, knowledge and competencies to cope with the work environment and with innovations and developments from time to time. Further, institutions need to develop ongoing training programs in order to increase employee performance, motivation and job satisfaction, and whether there is a need for regular improvements in employee working conditions in order to maintain intellectual competencies as such employees are increasingly attacked by competitors.

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