

Training And Development As Key Determinant Of Organizational Performance: Evidence From Heis In Pakistan

Dr. Ahmad Ali¹, Dr. Khalid Rehman¹, Rafid Ullah³, Dr. Shumaila Hashim², Dr. Farhat Ullah Khan¹, Dr. Nafid Khan¹, Dr. Adnan Khan¹

¹Assistant Professor, Institute of Business Administration, Gomal University, Dera Ismail Khan-29050-Pakistan.

²Associate Professor, Institute of Business Administration, Gomal University, Dera Ismail Khan-29050-Pakistan.

³Lecturer, Department of Business Management, Karakoram International University, Hunza Campus, Gilgit Baltistan.

Corresponding author Email: Dr. Ahmad Ali

Abstract

This study explores the impact of training and development on organizational performance in Higher Education Institutions (HEIs) in Pakistan. Faculty members working in various Higher Educational Institutions of Southern region of KP, Pakistan, was focused as target population for the current study. 250 faculty members were surveyed for this purpose. Data from respondents was collected through close-ended questionnaire. Measurement scales for measuring current study variables, were adopted from previous literature. Scale reliability, correlation and linear regression were employed as statistical tools for obtaining empirical evidences. The findings revealed that Training & Development is a key determinant of organizational performance in HEIs of Pakistan. The study highlights the importance of designing and implementing effective Training & Development programs tailored to employees' needs and aligning with the organization's goals. The results of this study have significant implications for HEIs administration, as they underscore the importance of investing in Training & Development initiatives to enhance organizational performance and achieve strategic objectives.

Keywords: Training and development, Organizational Performance, Faculty Members.

Higher Education Institutions

I. Introduction

In today's fast-paced and ever-changing world, the importance of training and development cannot be overstated (Malam, Tang & Raihan, 2016). With the rapid advancement of technology and globalization, organizations must adapt and innovate to remain competitive and relevant (Rahman, Sambasivan & Wong, 2013). In this context, higher education institutions in Pakistan face the challenge of preparing their staff and

faculty to meet the demands of the modern era (Khan, Khan & Khan, 2011). In contemporary times, the process of learning, unlearning, and relearning has gained paramount significance for both individuals and organizations (Anike & Ekwe, 2014). Particularly, employee training and development have witnessed a growing importance as they play a pivotal role in enhancing productivity and attaining a competitive edge (Quartey, 2012). These training

programs are designed to help employees acquire job-related knowledge, skills, and behaviors (Dennis and Griffin, 2005). They are considered a strategic tool in human resource development (HRM) for achieving organizational goals.

Research has consistently shown that training and development programs are directly related to organizational development and achieving goals (Peteraf, 2020; Niazi, 1993). The effectiveness of an organization is determined by how efficiently managers utilize resources to satisfy customers and achieve goals and objectives. Therefore, employee training and satisfaction with their work and environment are critical factors in enhancing organizational performance. As per the resource-based view theory, training programs aim to create value and improve capabilities to ensure sustained organizational performance (Barney, 1998).

In developing countries like Pakistan, recent technological advancements have led to heightened competition, particularly in the higher education sector, which is the primary source of quality education and skills. Consequently, there has been a renewed focus on training and development in this sector. Iftikhar Ahmad and Siraj-ud-din (2009) underscored the importance of training and development in elevating the performance of degree-awarded institutions (DAIs). Similarly, Ali (2021) recognized that employee performance is a key building block in driving organizational success. While job satisfaction, knowledge, and management can impact employee performance, Chris Amisano (2020) findings revealed a direct link between training and performance, highlighting the significance of investing in employee development programs to improve organizational performance.

2. Literature Review and Hypothesis Development

2.1 Training and Development

According to the literature, training, and development are crucial components of human resource management (HRM) practices. New employees must be introduced to existing employees and the company culture through an orientation program (Tan & Nasurdin, 2011). The training aims to enhance employees' skills and knowledge, while development prepares individuals for additional responsibilities and to develop their existing skills and knowledge (Rahman, Sambasivan & Wong, 2013; Aragon, Jimenez & Valle, 2014). The literature indicates that training and development significantly impact organizational performance and should be ongoing processes to achieve strategic objectives (Malam, Tang & Raihan, 2016).

2.2 Organizational Performance

Matthew (2021) defines organizational performance as evaluating attitudes and behaviors contributing to achieving organizational goals. Effective management, particularly line management, is crucial in utilizing organizational resources competently and efficiently. In this context, training and development programs can develop and enhance competency. The primary objective of a business organization is to achieve higher financial performance or maximize wealth for its stakeholders (Kumar & Gulati, 2010; Alinaitwe, Mwakali & Hansson, 2009). However, the organization's ability to reach its goals depends on its overall organizational performance (Ilona & Evelina, 2013). Organizational performance is generally evaluated based on several factors such as effectiveness (the ability to achieve objectives), efficiency (the appropriate use of resources), employee and customer satisfaction, innovation, product or service quality, and ability to maintain a talented workforce (Pinprayong & Siengtai, 2012; Arshad, Azhar & Khawaja, 2014; Delery & Gupta, 2018; Mehmood, Awais, Afzal,

& Khalid, 2017). This study's organizational performance variables included efficiency and effectiveness count highly. As per earlier studies, respondents were asked to assess their organization's performance compared to their competitors (Yashar & Harky, 2018).

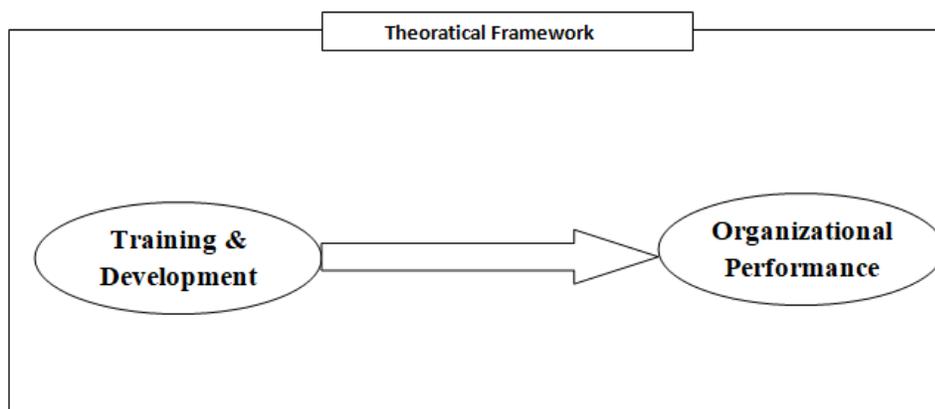
2.3 Training & Development and Organizational Performance

Training and development are essential to an organization's performance because they enable employees to acquire the skills, knowledge, and effort required to perform organizational tasks effectively. Which, in turn, increases success and achievement (Singh & Dangwal, 2017). In addition, organizations must prioritize cultivating employee capabilities to accomplish desired outcomes and maintain competitiveness in diverse and competitive environments (Skica & Rodzinka, 2012; Susomrith, Coetzer & Ampofo, 2019). Employees' well-being and potential are crucial to an organization's success, with training

serving as a positive and indispensable factor in achieving this success

Taufek and Mustafa (2018) state that training and development is the most commonly practiced human resource activity. This practice involves improving employees' current or future skills, abilities, and knowledge (Watley, 2016). Training and development significantly impact employee knowledge, skills, abilities, attitudes, and behavior, which ultimately results in improved organizational performance, as determined by Dabale, Jagero, and Nyauchi (2014) in a comprehensive review of 66 studies conducted across various regions. The authors discovered this in the context of improved organizational performance. Asfaw, Argaw, and Bayissa (2015) also found a favorable association between training and development and the effectiveness of organizations in Bangladesh.

Hypothesis: Training and development have a statistically positive and significant influence on organizational performance in HEIs of Pakistan.



3. Materials and Methods

This study focuses on investigating the impact of training and development on the overall performance of an organization. The main objective is to examine the relationship between these factors by collecting primary data.

3.1 Sampling procedure

The study population comprised faculty members from Pakistan's public sector Higher Education Institutions (HEIs). A convenient sampling technique was employed, selecting six public sector universities from the southern region of Khyber Pakhtunkhwa (KP). Data were collected from employees through a questionnaire. The adapted questionnaires were distributed by visiting or emailing the selected universities.

3.2 Employee survey

The study involved teaching staff members, comprising Professors, Associate Professors, Assistant Professors, and Lecturers, from six public universities in Khyber Pakhtunkhwa (KP). A total of 300 questionnaires were distributed, of which 278 were returned. Among the returned questionnaires, 250 were fully completed, yielding a response rate of 83%.

3.3 Research Instrument

The questionnaire used in this study was derived from the work of Naizi (2011) and Allen et al. (2007) and was adapted to suit the research context.

3.4 Hypothesis testing

The survey included a set of five items related to training and development, as well as a set of 12

items measuring organizational performance. The participants of the survey were employees. The measurement in this study utilized a five-point Likert scale, enabling respondents to indicate their level of agreement or disagreement on a range of statements. The scale ranged from 1 for strongly disagree to 5 for strongly agree, providing an interval scale measurement for the responses.

3.5 Statistical Tool

The study collected primary data from teaching faculty members at various levels, and this data is presented using descriptive statistics and detailed graphs. The research utilized an adopted questionnaire for data collection. Therefore, correlation and linear regression modeling are employed in the present study to analyze and present the data.

4. Empirical Findings

Table 4.1: Reliability Analysis

Variable	No. of Items	Cronbach's Alpha	CR	AVE
Training and Development	05	0.902	0.91	0.83
Organizational Performance	12	0.882	0.80	0.91

Table 1 reveals the alpha values, and item counts for each construct are displayed. The training and development construct exhibits a Cronbach's alpha of 0.902, while the organizational performance construct demonstrates a Cronbach's alpha of 0.882. These alpha values provide insights into the internal consistency and

reliability of the measurement scales employed in the study. Importantly, all the variables' alpha values fall within the acceptable range, indicating that the data is trustworthy for subsequent computations and analysis. Hair (2006) states that an alpha estimate exceeding 0.70 is generally considered satisfactory.

Table 4.2: Descriptive Statistics and Correlation Matrix

Variable	N	Mean	SD	Training and Development	Orginzational Performance
Training and Development	250	5.1270	1.16257	1	.585**
Organizational Performance	250	4.4064	1.59778	.585**	1

Table 2 offers valuable insights into the association between the predictor variable (T&D) and the outcome variable (OP), as revealed by the correlation matrix. The findings demonstrate a statistically significant positive correlation between T&D and Organizational Performance. The coefficient of correlation (R) of 0.585 indicates a moderately strong positive

relationship between T&D and Organizational Performance. The significance level (P) of less than 0.05 confirms that the observed correlation is unlikely to result from chance. These results provide compelling evidence of a significant relationship between T&D and Organizational Performance.

Table 4. 3: Test of Hypothesis using Linear Regression Model

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the	F	Sig.
1	.585	.342	.340	.94477	128.525	.000
Coefficient						
Model		Unstandardized		Standardized	t	Sig.
		B	Std. Error	Beta		
1	Constant	3.249	.176		18.438	.000
	T & D	.426	.038	.585	11.337	.000

Dependent Variable: Organizational Performance

Predictor:(Constant):Training and Development

Table 4.3 displays the regression results for the predictor variable (T&D) and the outcome variable (Organizational Performance). The model summary reveals the variation and change explained by R2. In this instance, the R2 value of 0.342 signifies that the predictor variable (T&D) explains 34% of the variability observed in the outcome variable (Organizational Performance). Additionally, the F-statistics value is statistically significant (p<0.05), indicating that the overall

model fits well. The coefficient table highlights that the coefficient value ($\beta = 0.426$, $p < 0.05$) signifies that a one-unit change in the predictor variable (T&D) results in a 43% change in the outcome variable. These findings affirm the significant and positive impact of T&D on organizational performance.

5. Discussion

The acquisition of knowledge can be achieved through employee training. Training and development exert a positive influence on the overall performance of organizations. The primary aim of this study was to investigate the relationship between T&D and OP, specifically focusing on Higher Education Institutions (HEIs) in Pakistan. Through correlation analysis, it was found that these two factors exhibit a significant positive relationship, as evidenced by a β value of 0.585 and $p < 0.000$ (refer to Table 2). The regression analysis results in Table 3 indicate a beta value of 0.426, indicating a positive impact of training and development (T&D) on the dependent variable. The t-value of 11.337 is statistically significant, with a p-value lower than 0.05. The findings of this study are consistent with prior research conducted by Absar et al. (2010), Khan et al. (2011), Sohail et al. (2014), Rawat (2022), and Raza (2014). These previous studies have also reached the consensus that organizations that make investments in their employees through training and development programs experience enhanced organizational performance. In today's highly competitive global landscape, the education sector is driven to adopt strategic approaches like T&D to enhance organizational performance. Furthermore, the study findings indicate that educational institutions implementing strategic T&D practices have highly skilled employees and better overall performance. Satisfied employees are an invaluable asset for any organization as they significantly contribute to achieving objectives.

6. Conclusion

This study provides compelling evidence that employee training and development play a crucial role in acquiring knowledge and positively impacting organizations' overall performance, particularly in Pakistan's Higher Education Institutions (HEIs). The correlation analysis revealed a significant positive link between T&D

and OP, highlighting the importance of investing in employee development. The regression analysis further confirmed this relationship, with a positive beta value indicating that training and development have a direct and favorable influence on organizational performance. These findings align with previous research, emphasizing the significance of organizations prioritizing their employees' growth through training and development initiatives.

Based on the study's findings, it is highly recommended that organizations, including Higher Education Institutions (HEIs) in Pakistan, prioritize the implementation of effective training and development programs. These initiatives should aim to enhance the skills and knowledge of employees, ultimately leading to improved organizational performance. By doing so, organizations can gain a competitive advantage in the dynamic and demanding global marketplace. The significance of training and development in enhancing staff efficiency, skills, and productivity has been widely acknowledged by many organizations in recent times. Moreover, the researcher proposes expanding the scope of seminar participation beyond senior officials to include a broader range of employees. This expansion would help alleviate external pressures experienced by workers and foster a sense of belonging and significance within the organization.

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