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## **Importance of training and its effect on employee performance and organization commitment: Study of textile sector.**

**Jawad Khan**

*Institute of Business and Management Sciences  
(IBMS)*

*The University of Agriculture Peshawar.*

[jawadmarwat1@gmail.com](mailto:jawadmarwat1@gmail.com)

### **ABSTRACT**

Employees are vital assets of any organization. Their constant “maintenance” in terms of training is as important as periodic repair and maintenance of other assets of the organization like machinery etc. This study was conducted with a set of hypothesis to find out the impact of training on employee performance and organization commitment in the textile sector of ‘Khyber-Pakhtunkhwa’. The collection of data was through questionnaires and results showed that there is positive effect of training on employee performance and organization commitment. Study concludes that if an organization invests in employee trainings then it will obviously enhance employee performance and organization commitment. These directly contribute to higher outputs at all levels of the organization. In addition, training is also helpful for

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employees to deal with constant technological innovation, organization restructuring and market competition.

**Keywords:** Training, employee performance, organization commitment

## **Introduction**

An employee is the basic building block from which an organization is made.

Different functions in an organization are performed by employees with different skills and competencies. The quality of products, services and turnaround time depends upon the level of skills the employees of the company has. Every employee enters the organization with a generic set of skills and competencies gathered either through academic education or on the job training and through experience in similar tasks in other organizations. Tailoring an employee's skills to the function required in the current organization requires time and effort (resources) on part of the organization which wishes to utilize employee's abilities for its own growth. Only after a time, can an employee truly deliver his/her optimum potential? Afterwards, to improve the quality or service or products or turnaround time, the organization must equip the employee with newer methods of operating. This requires training which can either be on the job through a supervisor, or periodic through courses, workshops, seminars, certifications or lectures etc. In short, the employee's training is a tool for enhancing the organization's own output whether through quality of goods and services or volumes or turnaround times.

Most of the recent studies reveal that training supports most organizations to meet their goals and objectives in more efficient way. Employees through proper trainings

make them able to learn new work ideas, enhance their skills and competencies, improve their workplace spirituality and increase productivity at every level of organization (Cole 2002).

Training facilitates are helpful to polish employees skills and leads to increased employee commitment and belongings with organization that directly strengthening the organization's competitiveness (Acton and Golden, 2002).

Training plays a vital role in increasing organizational efficiency and organization commitment. Most of researches including Zwick (2006), Sepulveda (2005) and Konings & Vanormelingen, (2009) showed that training is an important and effective instrument in successful accomplishment of the firm's goals and objectives, resulting in higher commitment and productivity of the organization.

Allen and Meyer (1990) explained the commitment in three different ways; affective commitment means the extent of an employee's emotional attachment and involvement with the organization. Normative commitment means that you are doing a job with your current organization and much satisfied/believe to carry on with the current organization. Continuance commitment as the degree to which an employee believes to stay with current organization due to fear of 'side bets'. Organizational commitment is defined as the connection of an employee to stay with the current organization with full involvement and devotion.

## **Objectives of the study;**

Following are the objectives of the study

1. To examine the effect of training on employee performance.

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2. To examine the effect of training on organization commitment.

## **Literature Review**

### **Training**

Training is basically a healthy activity to be carried out by employer to facilitate and foster learning among its employees that needed for their job roles. There is difference between training and development, training seems to be more narrowly focused and oriented toward short-term performance concern and development seems to be oriented more towards broaden the skills of an individual for their future responsibilities (Bartel, 2000).

Training is thus a systematic process of changing the behavior, transferring new knowledge and/or orientation of present employees to improve the match between employee characteristics and employment requirement.

Training of staff becomes a major consideration in facilitating levels of organizational productivity. Training programs are carried out for the reason that it provides skills needed for employees for their current job roles and also may helpful in the future for organization. It is obvious that it enables an organization to compete other competitors in the market of same field through training of workers (Sahinidis and Bouris 2008).

Well established organizations are of the view that training is a benchmark for organizational survival and symbol of success in both long and short term in the market. A both large and small organization needs competent personnel for their organizations to perform in a better way in today contemporary and competitive environment, which is possible through training programs. The formal educational

system does not enough to fill a job position in a specific organization. To be able to make adequate contribution towards the growth of the organization, many employees need extractive training to attain the necessary knowledge, abilities and skills (Nishtha and Amit 2010).

Skills and competencies of any employee have a tendency to wear out and become obsolete over time. This may be caused by advent of new technology, changing work perimeters due to shifting market dynamics and structural changes in the work environment. Thus, skills and competencies must be polished and repaired over time (Dzameso, 2012).

Training plays a vital role to improve employee performance by developing employee attributes that directly affect organization performance (Appiah 2010; Harrison 2000; Guest 1997). Besides all, some other studies Swart et al. (2005) stated that training means dealing with deficiencies in skills.

Armstrong (2009) clearly stated in his book that organizations could take benefits from training programs by engaging employees with complete hearts and minds to get them to identify with the organization and overall market requirements. This will help employees to remain with the organization and obviously organization will get better results in return.

Training is required to induct specific skills in employees to do a particular job, while development deals with improving individual skills and abilities of his/her future job. The main purpose of training programs is to improve employee competencies and capabilities and then in return organizations can get maximum positive and productive results from their own human assets (Harrison 2000).

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It goes without saying that training of employees is an issue that has to be faced by every organization time after time due to new technologies, new software's and much more. We should not neglect the amount, quality and quantity of training carried out vary enormously from organization to organization depends on their job roles and working environment (Appiah 2010).

Noe (2008) stated that employee whenever goes under training programs must be given adequate opportunities to learn things and utilize his/her skills for better results.

The training programs must have complete, relevant and informative training materials in all aspect while keeping in view the results expected from the training programs.

The basic requirements must also be fulfilled to ensure the smooth completion of the training event and positively transfer the learned skills to employees. The learning session must be based on observation and thoroughly checked. Training programs can help employees to polish their skills and fill gaps where there is some weakness in a better way in order to get better results.

### **Employee Performance**

Performance is the achievement of a specific goal or objective against a pre-defined standard. Efficiency and effectiveness are determined through the timely achievement of the goals against the standards using minimal costs or input to achieve maximum output or results (Bartel,1994).

Halbesleben (2010) stated that performance can be classified qualitatively as satisfactory which means that the requisite objectives are achieved within the budgeted resources and time. Unsatisfactory performance means that either the goals

or objectives are not achieved or the budgeted time and resources have been over utilized. Alternatively, quantitatively performance can be defined with different measures like budgetary consumptions, target vs achievements of production or reporting etc. This performance can be a result of either the techniques used or the skills of the employee performing the specified tasks. On the other side, it is dependent upon the employee who can identify flaws in the techniques and methods in operating system that employee carried out for doing specific job and choose best techniques and skills to perform their jobs in a better and smooth way.

Employee performance can determine the effectiveness of the organization as a whole because maximizing outputs by using limited resources generates business profits.

This result in direct financial benefit to the organization and by this, wealth is generated using the human capital of the organization. Employee association with an organization also influences their performance in terms of idle time spent or efforts employed in performance of different tasks whether routine or unfamiliar as proven by different studies (Christian et al., 2011).

### **Organization Commitment**

Organizational commitment is the qualifying measure of an employee's level of association with the organization. This associative sentiment developed among employees through the routine and timely involvement in different activities of the organization, whether in their own respective roles or in collective decision making processes (Wadhwa & Verghese, 2015).

Commitment towards organizational goals and objectives can be enhanced by including inputs from relevant employees on organizational decision making process

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(Dey, Kumar, & Kumar, 2014). The most common form of organization commitment is affective or emotional commitment which is the level attachment an employee has to the organization's values and the employee's aspiration to retain the relationship with the organization .(Diab & Ajlouni, 2015).

Employee commitment can be quantified through the level of output achieved against the standard budgeted though time and resources. (Porter, Steers, Mowday & Boulian, 1974).

A wide array of positive outcomes have been proven by effective employee commitment such as reduced employee turnover, reduced absenteeism, levels of output achieved, quality of work and individual cost in terms of overtime and work that is non-confirmative to the job description to improve organization performance. Organizational commitment has almost as many definitions as there are researches on the subject but the crux of all studies is the individual's association with a particular organization with full dedication and devotion (Rabinowitz & Hall, 1977, Randall, 1990).

Allen and Meyer (1990) defined organizational commitment in three different ways (1) affective commitment mean measure of employee emotional connection with organization, sympathy and contribution towards organization, (2) continuance commitment mean that when employee prefer to stay with current organization when compare his role and benefits gaining from new job/organization with loss after leaving his current organization and (3) normative commitment mean level of obligation employee feels in current organization even when you unsatisfied with current job



### **Training and employee performance**

Organizations can increase the performance of an employee by providing them up to date skills and techniques to perform routine and extra-ordinary tasks. An employee needs to have efficient knowledge and skills about methods and techniques for performing their job roles. The knowledge and practice to identify modern methods and techniques used to carry out tasks can only be gained by the employee if the training program is continuous, regular and well structured. Organizations must arrange and invest on continuous comprehensive training programs to polish employee's skills and to overcome deficiency they face during performing their job roles. The training that is being provided must be well thought-out, structured and properly tailored to the individual's job description as well as the organization's goals and needs. Organization may take full benefit by doing so in terms of increase in the productivity and in lead times of routine and extra-ordinary tasks. (Wexley & Latham, 1991).

Earlier studies have consistently shown positive relationship between training and employee performance which directly correlates to benefits for the organization. Employee performance is enhanced through developing employee's skills, methodology of doing their assigned tasks, competencies and approach to problem solving in routine tasks. Training can also fill the gaps and cover the shortcomings if employees have in their skills and competencies during performing their job. All this means better employee performance and will be higher outputs for the organization. Increase in employee productivity has an immediate, quantifiable effect on the employee's commitment towards the organization. Effective training programs can

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not only increase productivity of employees in their current jobs but enhance their skills in such a way that they are able to take on additional roles, responsibilities and tasks within the organization. This creates a feeling of professional growth within the employee enhancing their pledge with the organization (Sahoo et al., 2010).

According to (Rochon ,2014) the growth is not just a complacent feeling of goodness within the employee, but a true creation of human capital that is beneficial to the organization directly as a source of recruitment pool within the organization which can be used to replenish the depletion in human capital because of employee turnover and promotions.

Existing employees can take over responsibilities of colleagues both horizontally and vertically. Greater operational efficiency is achieved through this increase in individual's skills and competencies enabling organizations to reduce the dependencies on employee numbers and creating a competitive, lean and mean organization workforce that is able to tackle more amounts of work than others in the same industry.

**H1:** Previous literature support positive connection between training & employee performance.

### **Training and organization commitment**

As explained above, a consistent and comprehensive training program has a positive impact on the employee's organization commitment. This gives a significant boost to the overall effectiveness of the organization in terms of outputs achieved for a limited amount of inputs. The qualitative and quantitative increase in outputs is a direct

measure of the increase in organizational commitment of the employees (Jun, Cai, and Shin 2006).

Training has been established as a proper reward mechanism for employees from their organizations based on several studies. The employees recognize or perceive the training as a mutually beneficial relationship between themselves and the organization and assume training to reflect on their positive work efforts. Employees tend to associate training to a reward mechanism of the organization and recognition of their potential to grow within the organization. Employees' organizational commitment increases significantly because of this frame of mind which let the employee's contribute more towards their daily routine and extra ordinary tasks as the goals shift from short term to long term association ideals with the organization (Diab & Ajlouni, 2015).

Participation in training programs is indispensable for newly employed recruits in an organization, which results positive outcomes. When focus of organizations is on training programs, as a result organization can achieve more fruitful outcomes for organizational productivity (Bartlett, 2001).

The present study illustrates that commitment as an effect of training, according to (Bartlett, 2001) that training is the main thing which influence organization commitment in any organization. The association between training and organizational commitment has been found to motivate human resource for (1) contribution in learning & training programs (Tannenbaum and others, 1991), (2) job related knowledge and skills (McEvoy, 1997), and (3) the provision of training programs (Seyler, 1998). The main objective of training is to increase organization commitment

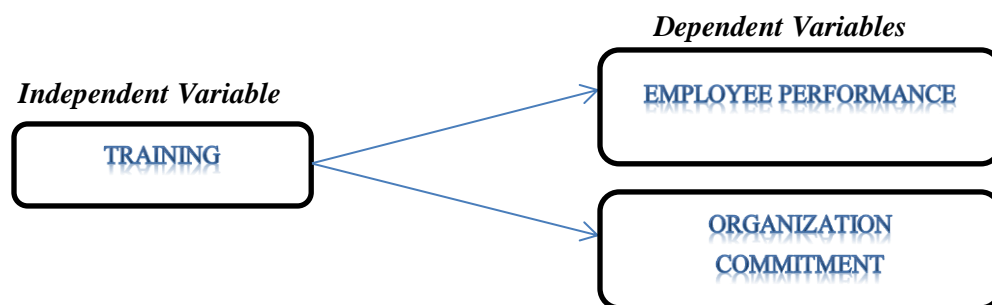
Training and its effect on employee performance and organization commitment within employees that direct effect organization performance. (Meyer and Allen, 1997).

This study prove that training positively effect and enhances organizational commitment. According to previous research, employee training programs have positive endings such as increase workplace spirituality; reduce absenteeism, increased employee performance and job satisfaction. Therefore association between training programs that are arranged by organization and level of commitment which results from training has valuable effects on organization performance. If training plays vital role in the development and maintenance of organizational commitment then it should be the main objective of HRD managers (Bartlett, 2001).

**H2:** Previous literature suggests positive relation between training and organization commitment.

## Theoretical Framework

Theoretical framework is evident that this study comprising one independent variable (Training) and two dependent variables (Employee Performance & Organization Commitment).



## Research Methodology

### Sample

The Population of this study includes textile companies located in Khyber Pakhtunkhwa, Pakistan. Based on convenience and the research of the same nature in previous body of knowledge, two hundred (200) employees of Assistant's and Officers rank were selected by using convenience sampling technique.

### Demographic Figures

Table 4.1 is showing 93.5 % male and 6.5% were female employees in this research study. Employees with age 25 or below (2.0%) showed satisfaction towards training and its positive effect on employee performance and organization commitment, followed by employees aged 25-29 which were (50.5%), 30-34 were (33.5%), 35-39 were (12.05%) and there were no employee having aged 40 or above. Moreover 11.5 % participants were having bachelor's degree 78% participants were having master's degree and 10.5% with MS/M.Phil degree while no one with PHD Participated in the study.

**Table 4.1 Demographic Statistics**

Features	Category	Frequency	Percentage
Gender	Male	187	93.5
	Female	13	6.5
	Total	200	100
Age (years)	25 or Below	04	2.0
	25-29	101	50.5
	30-34	67	33.5
	35-39	25	12.5
	40 or above	03	1.5
	Total	200	100
Education	Bachelors	23	11.5
	Masters	156	78.0
	MS/ M.Phil	21	10.5
	PHD	0	0
	Total	200	100

**Variables and their measures**

<b>Variables</b>	<b>Scale Items</b>	<b>Developed by</b>
Training	Six	Schmidt (2004)
Employee Performance	Three	Antoncic & Antoncis (2001)
Organization Commitment	Five	Mowday, Steeers and Poter(1979)

**Responses were taken by using five point Likert Scale.**

**Reliability analysis**

Below table shows results of alpha coefficients of training, employee performance and organization commitment. All the three variables had scores greater than 0.70, it means that data are reliable.

<b>Variables</b>	<b>N</b>	<b>Alpha Value</b>	<b>Reliability</b>
<b>Training</b>	<b>06</b>	<b>0.73</b>	<b>Reliable</b>
<b>Employee Performance</b>	<b>03</b>	<b>0.80</b>	<b>Reliable</b>
<b>Organization Commitment</b>	<b>05</b>	<b>0.71</b>	<b>Reliable</b>

**Data Analysis**

To find the connection between dependent and independent variables the following simple linear regression models were applied.

$$E.P = \beta_0 + \beta_1 T + \varepsilon \text{----- (4.1)}$$

$$O.C = \beta_0 + \beta_1 T + \varepsilon \text{----- (4.2)}$$

Where, T= Training

E.P = Employee Performance

O.C = Organization Commitment

$\beta_0$  and  $\beta_1$  are called the model

$\varepsilon$  = is the residual

### Training and Employee Performance

Results show that there is positive link between Training and employee performance. Therefore, hypothesis 1 accepted.

	$\beta$	<i>S.E</i>	<i>t-ratio</i>	<i>p-value</i>
<i>Const</i>	1.361	0.248	5.619	0.000
<i>Training</i>	0.622	0.062	10.03	0.000

*R2 = 0.507; F-value =100.60 with p-value=0.000*

### Training and Organization Commitment

Results reveal that there is positive association between training and organization commitment. Therefore, hypothesis 2 accepted.

	$\beta$	<i>S.E</i>	<i>T-ratio</i>	<i>P-value</i>
<i>Const</i>	1.750	0.274	6.390	0.000
<i>Training</i>	0.510	0.070	7.283	0.000

*R2 = 0.351; F-value =53.048 with p-value=0.000*

### Correlation Analysis

There was positive relation identified between training and employee performance ( $r=.712$ ,  $p= 0.000$ ) & training and organization commitment ( $r= .593$ ,  $p= 0.000$ ).

<i>Variables</i>	<i>Correlation Coefficient (r)</i>	<i>Level of Significance (p)</i>
<i>Training &amp; Employee Performance</i>	.712**	0.000
<i>Training &amp; Organization Commitment</i>	.593**	0.000

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## **Conclusion**

Training plays a vital role to enhance organization outcomes. If we properly train employees then obviously it will enhance employee performance and commitment.

Discussion of all the results shows that there is positive relation between training and work outcomes.

According to social exchange theory when organization takes care of employees, in return employees shows commitment and improvement towards organizational in order to enhance organization performance (Cropanzano, Mitchell, 2005).

Results of this study show that employees must attend training programs to prepare themselves for new challenges facing in the market to retain in the market and keep high performance and commitment towards organization. It is important that organization should arrange training programs quarterly, semiannually or annually in order to survive in market.

## **Recommendations**

It is suggested that similar study should be carried out in government organizations and banking sectors to increase the performance and efficacy of employees. It is also recommended that the findings must be shared with other textile companies listed on Pakistan Stock Exchange to increase overall organizational productivity by conducting training programs. Government should start mandatory training programs on routine basis along with listed companies to train employees in their respective jobs role.

While conducting same study in textile sector should take data from other textile companies located outside Khyber Pakhtunkhwa, Pakistan.



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