

# Nexus between training methods and performance of non-executives of the banking sector (Evidence from Sri Lankan Banking industry)

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**Abstract** — Training methods are essential for any business organization, especially in the case of service providers like banks. The top-level managers of the banks pay close attention to the training methods. As literature suggested, training is essential to the commercial banks to enhance their existing workers' knowledge, skills and attitudes. It is crucial to recognize the training needs of the employees before planning a Training. This research was conducted to identify the nexus between training methods and performance of non-executive level employees in the banking sector. Here, researchers have identified the main two types of training methods: "on-the-job training methods" and "off-the-job training methods". Commercial banks use both methods to enhance employee performance, and researchers have tried to investigate the most effective method for non-executive level employees. Researchers have adopted a quantitative methodology. Primary data has been collected through structured questionnaires from 600 non-executive level employees from Sri Lankan banking industry. A simple random sampling technique has been used as the sampling technique. The Descriptive statistics, Reliability test, correlation analysis and regression analysis has been used to analyze the collected data.

Results imply that the off-the-job training methods are highly impacted than the on-the-job training methods, although both on-the-job training methods and off-the-job training methods positively affect employee performance. Considering the study results, the researchers suggested for the top managers of the commercial banks to pay more attention for the off-the-job training methods when deciding the mixture of training programs because it is highly affected than the on-the-job training methods.

**Index Terms** — Employee Performance, Off-the-job-training, On-the-job-training

## I. INTRODUCTION

Training methods are very significant for any business organization to enhance the organization's existing workforce's knowledge, skills, and attitudes. In modern business, organizations pay high attention to train their workers and these organizations expend thousands of money for training to get optimal contribution from the employees. Before designing training, a training need analysis should have to be conducted correctly to identify the workers' existing knowledge, skills and attitudes. It is essential to

develop matching training programs for the workers. Eventually, the training methods should align with the mission and vision of the organization. Otherwise, it will become a meaningless effort.

Existing literature includes many shreds of evidence to prove the importance of training in different industries in local and foreign contexts. Some early studies like Alber (1995), Cranny et al. (1992) have noted that employees will be motivated to perform well in jobs that offer variety, a challenge, responsibility, and an opportunity for personal growth. That means, even before two decades, scholars have identified the importance of giving opportunities like proper training to the employees. And many researchers from local and foreign contexts (Ex: Aswathappa, 2000; Armstrong 2000; Tahir & Khan, 2014; Rathnayaka and Fernando, 2020; Arachchi et al., 2017) have concluded the importance of training while some of them have a statistically positive impact towards employee performances/ employee satisfaction. But in the Sri Lankan context, there are no studies that have been suggested the best training methods (Ex: On-the-Job training methods or Off-the-job training methods) for different types of employees (Ex: For non-executive level employees) in different industries (Ex: Banking industry). Through this study, researchers have tried to fulfill that existing research gap to an extent by suggesting the best training method for non-executives in the banking sector.

Hence, the objectives of this study are;

- To investigate the relationship between different training methods (On-the-job training and Off-the-job Training) and Employee performance.

- To identify the most effective training method from On-the-job training and Off-the-job Training for non-executives in the Sri Lankan banking sector.

And specific research questions are;

- What is the relationship between different training methods (On-the-job training and Off-the-job Training) and Employee performance?

- What is the most effective training method from On-the-job training and Off-the-job Training for non-executives in the Sri Lankan banking sector?

## II. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Training is a scheduled, organized activity that results in increased levels of competence, experience, and competency required to do work effectively (Gordon et al. 1992). Employees benefit massively from training and growth, but entities benefit in the long run because the end beneficiary of each benefit is the organization itself (Raja, Furqan, & Muhammad, 2011). Herbert, John & Lee (2000) have described employee performance as the result or contribution of employees in helping the company achieve its objectives. Afshan et al. (2012) describe the performance as the accomplishment of specific goals.

**On-the-Job-training:** On-the-job training is an essential topic of human resource management. It helps develop the career of the individual and the prosperous growth of the organization. On the job training is a form of training provided at the workplace. On-the-job training is a helpful method of transferring knowledge from one another. An employee can practice as they learn through this method (Baum & Devine, 2007). Many prior researchers, including and not limited to Salau et al. (2014); Tukunimulongo (2016); Taylor & Davies (2004), have implied importance/ value addition towards employee and organizational performance/ positive impacts towards employee performance. Based on the foundation that the prior researchers have set up, researchers have developed H1a and H1b.

**H1a:** There is a significant positive relationship between On-the-job training programs and employee performance of non-executives in the Sri Lankan banking sector.

**H1b:** On-the-job training has a significant positive impact on employee performance of non-executives in the Sri Lankan banking sector.

**Off-the-Job-training:** Off-the-Job training is the training method wherein the workers/employees learn their job roles away from the actual work floor. According to Shafini et al (2016), employees can pay more attention when they attend training outside of their working environment as the likelihood of being disturbed by work operations is far lesser than if the training was conducted in the working environment. According to Mtulo (2014), off-the-job training allows an employee to participate in the training program without being disrupted by external factors as the training venue is usually set to enable the employee's total concentration. Literature (Ex: Smith, 2002; Hamilton, 1990; Wright & Geroy, 2001; Ramya, 2016) provides enough shreds of evidence to assume that there is a value addition towards employee performances from off-the-job-trainings. So, researchers have developed H2a and H2b accordingly.

**H2a:** There is a significant positive relationship between Off-the-job training programs and employee performance of non-executives in the Sri Lankan banking sector.

**H2b:** Off-the-job training has a significant positive impact on employee performance of non-executives in the Sri Lankan banking sector.

## III. METHODOLOGY

The researchers have adopted a positivism research philosophy following a quantitative approach. This research will be utilizing primary data through a survey questionnaire. The identified population of this study is non-executives of the Sri Lankan banking sector. Six hundred (600) non-executives have been selected as the study sample following the simple random sampling technique.

The researchers developed the following conceptual framework (figure 01) based on prior studies implications and operationalization also developed in the same manner. Independent variables (On-the-job-training, Off-the-job-training) have measured based on the number of trainings and dependent variable (Employee Performance) have been measured based on the perception of the responded non-executives of the Sri Lankan banking sector.

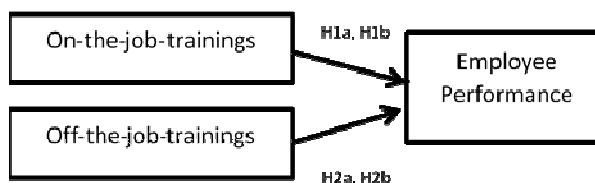


Figure 01 Conceptual Framework

As the data set has been normally distributed, researchers have used parametric tests such as Pearson correlation analysis and Multiple regression analysis. Furthermore, as the researchers have developed the questionnaire, the reliability of that has been tested using Cronbach alpha value.

## IV. DATA ANALYSIS

As employee performances measured using five Likert scales through a developed questionnaire, testing internal consistency is vital. Hence, researchers have tested Cronbach alpha value by considering 25 responses as a pre-study. The identified Cronbach value is 0.879 and the questionnaire is having internal consistency as Cronbach alpha value is greater than 0.7.

TABLE I: CORRELATION ANALYSIS RESULTS

Type of training	Pearson correlation value with Employee Performance	Significant Value
On-the-job-training	0.650	0.000
Off-the-job-training	0.928	0.002
N=600		

Above table 01 shows the correlation analysis results and according to that, both the independent variables show significant positive relationships with the dependant variable. Anyhow, Off-the-job training are showing the strongest relationship with employee performance than On-the-job training.

TABLE II: MODEL TESTING SUMMARY (MULTIPLE REGRESSION ANALYSIS)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.779 <sup>a</sup>	.759	.758	.08152
Dependent Variable: Employee Performance				
Predictors: On-the-job-training; Off-the-job-training				

According to Table 02 (Model Testing Summary-Multiple regression analysis), Adjusted R square value is 75.8%. That implies 75.8% of the dependent variable (Employee performance) is defined by the identified predictors (On-the-job-training; Off-the-job-training) in this study and the other factors define just around 24.2% of the dependent variable.

TABLE III: ANOVA RESULTS

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.722	2	8.361	1258.226	.000 <sup>b</sup>
	Residual	.711	107	.007		
	Total	17.433	109			
a. Dependent Variable: Employee performance						
b. Predictors: (Constant), on-the-job training, off-the-job training						

As table 03 discloses, the significant value of the ANOVA table is less than 0.05 and implies the tested model is statistically significant in defining the selected dependent variable (Employee performance).

TABLE IV: COEFFICIENT VALUES (MULTIPLE REGRESSION ANALYSIS)

Coefficients					
Model		Unstandardized Coefficients		Standardized Coefficients	t
		B	Std. Error	Beta	
1	(Constant)	.079	.076		1.040
	On-the-job training	.302	.054	.312	5.566
	Off-the-job training	.682	.056	.681	12.140
a. Dependent Variable: Employee performance					

Table 04 shows the coefficient figures related to the variables in the tested model. It shows both of the beta coefficient values are positive and both of the significant values are also less than 0.05. That implies that on-the-job training and off-the-job training positively impact employee performance under a confident level of 95%. Furthermore, as the beta coefficient value of off-the-job-training is higher than the off-the-job-training, more impact is from off-the-job training.

TABLE V: HYPOTHESES TESTING RESULT

Hypotheses	Used statistical tool to test the hypothesis	Accept/Reject	Rationale
There is a significant positive relationship between On-the-job training programs and employee performance of non-executives in the Sri Lankan banking sector.	Pearson correlation Analysis	Accept	Pearson correlation value is positive & significant value is less than 0.05
H1b: On-the-job training has a significant positive impact on employee performance of non-executives in the Sri Lankan banking sector.	Multiple regression Analysis	Accept	The beta coefficient value is positive and the significant value is less than 0.05
There is a significant positive relationship between Off-the-job training programs and employee performance of non-executives in the Sri Lankan banking sector.	Pearson correlation Analysis	Accept	Pearson correlation value is positive & significant value is less than 0.05
Off-the-job training has a significant positive impact on employee performance of non-executives in the Sri Lankan banking sector.	Multiple regression analysis	Accept	The beta coefficient value is positive and the significant value is less than 0.05

Table 05 has presented that researchers have enough statistical shreds of evidence to accept all the developed hypotheses.

## V. FINDINGS & DISCUSSION

According to the data analysis results, researchers have investigated that both independent variables (on-the-job training, off-the-job training) are significantly impacted on the dependent variable (Employee Performance). At the same time, there are significant positive relationships between on-the-job training and employee performance, off-the-job training and employee performance. Simply, researchers have enough statistical evidence to accept all the hypotheses and

the tested model is also statistically significant in defining employee performance.

This research investigated that on-the-job training has a significant positive impact on employee performance. So, that finding shows consistency with the conclusions of Shafini et al. (2016), Kum et al. (2014), Falola et al. (2014), Khan et al. (2011) and Awang et al. (2010). At the same time, off-the-job training also shows a significant positive impact on employee performance. This finding is also supported by Maina & Waithaka (2018), Shafini et al. (2016), Haslinda (2016), Falola et al. (2014) and Mtulo (2014).

Anyhow, according to the statistical analysis, the nexus between off-the-job-training and employee performance are stronger than the nexus between on-the-job-training and employee performance. (Higher Pearson correlation value, Higher beta coefficient value). It is not practical to say off-the-job-trainings are more effective than on-the-job training in the case of non-executives of the banking sector. But here, these results indicate the perception of non-executives of the Sri Lankan banking industry. So, no single training method suits to all, top managers of relevant entities can develop the most value-adding mixture of training programs.

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