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Evaluating the impact of training and development programs on employees' perception of its transferability: The case of the Nigeria Banking Sector

Abstract

Human resource practices in Nigeria have evolved over the years. Nigeria is one of the most populous countries in Africa, with an abundant workload and numerous talented graduates. However, attracting, developing, deploying, and retaining these talents to take up the workload have become a challenge for many organisations such as banks. Training and development (T&D) play a crucial role in improving effectiveness and performance within the work environment. The AMO model is most appropriate in this study because it considers how employees' knowledge, skills and abilities interact with their opportunity to apply these. It has been generally accepted that for performance to take place all three elements, ability, motivation, and opportunity must be present. This study seeks an in-depth understanding of employees' perception of T&D programmes in Nigeria's commercial bank, and its influence on transferability. A pilot study involved an initial visit to Abuja, Nigeria, where the data was collected with the use of purposive sampling techniques and a semi-structured face-to-face interview with a total of eight bank employees aged 25 to 40 years from four commercial banks was conducted. The findings show that employees understand the role of T&D in performance improvement, career progression but workplace limitation hinders T&D transfer and implementation. The novelty of this study is its contribution to the understanding of T&D and its transfer in the Nigerian banking sector.

Theoretical underpinning model

The AMO model which was initially proposed by Bailey (1993) and later developed by Appelbaum, Bailey, Berg, & Kalleberg (2000) stipulates the provision of the necessary skills, proper motivation, and opportunity for employees' discretionary effort to aid their performance. This model with the acronym 'AMO' stands for individual ability (A), motivation (M), and the opportunity (O) to perform are believed to be the three components that shape employee characteristics and hence contribute to organisational success (Bayo-Moriones & Galdon-Sanchez, 2010; Boselie, 2010; Claudia, 2015; Knies & Leisink, 2014; Kroon, Van De Voorde & Timmers, 2013; Munteanu, 2014). This model is most appropriate in this study because it considers how employees' knowledge, skills and abilities interact with their opportunity to apply these. Consequently, the Nigerian banking sector can aim to

positively improve employee's perceptions to T&D to achieve higher transfer rate by adopting a system that takes into account employees' ability, motivation, and opportunity (AMO) for effective contribute to the organisation (Boselie, 2010; Boxall & Purcell, 2003; Choi, 2014; Marín-García, Miralles, Garcia-Sabater & Perello-Marin, 2011; Marín-García, 2013; Raidén, Dainty & Neale, 2006). The AMO framework, since its emergence in 2000, has been generally applied in explaining the association between human resource management (HRM) and performance (Marin-Garcia and Tomas, 2016). Many studies carried out have since used this theoretical framework to explore the HRM about performance either explicitly and implicitly (Boselie, Dietz & Boon, 2005; Ehrnrooth & Björkman, 2012; Paauwe & Boselie, 2005). The AMO model, as reported by some authors, originated from the theoretical discourse between industrial and social psychologists. The latter believe motivation is key to ensure performance and former assume performance as a function of training and selection (i.e. ability) (MacInnis & Jaworski, 1989) while opportunity was later introduced as a new model which was considered the missing link by Blumberg and Pringle (1982) in order to broaden the concepts of motivation and ability. Consequently, performance was considered as a function of capacity with diverse variables including age, knowledge, level of education and energy level; willingness to perform including variables such as motivation, job satisfaction, personality, values, and expectations, and opportunity to perform including variables such as working conditions, tools, materials, leader behaviour, procedures and time (Blumberg & Pringle, 1982). It has been generally accepted that for performance to take place all three elements, ability, motivation, and opportunity must be present. This paper discusses employees' perception of training and development (T&D) programmes in Nigeria's commercial bank, and its influence on transferability.

Nigeria's Context

Since the financial crisis of 2008, recovery has not been uniform across the globe as banks in the US are ahead on multiple measures compared to their European counterparts (Deloitte Center for Financial Services, 2009). In the US for example, the intervention of aggressive policy and effective regulations have propelled and bolstered its banking sector to the path of recovery more quickly in addition to favourable GDP growth, tax cuts, and rising rates (Deloitte Center for Financial Services, 2009). Within the Nigerian banking sector, there have been series of restructuring until now. The Central Bank of Nigeria (CBN), which is the Apex financial regulating body in the country, mandated recapitalization in 2004 from 2 billion to a minimum of 25 billion naira. This resulted to an unprecedented process of merger and

acquisition that transform the banking sector from 89 commercial banks to 25 banks in Nigeria (OlaREWaju, 2016; Ezech et al., 2015). This significant change had a drastic effect on human resources, as many employees were made redundant.

The concept of HRM as we know today had its origin in ‘Personnel Management’ which became popular in Nigeria Management literature around the 1940s. This partly because of the colonial era, with commercialisation and industrialisation, it later became wage employment before being known as HRM. After that, there has been a steady growth in the recognition of human resources management in Nigeria. However, this has been characterised by lack of specialisation and professionalism (Fajana, Owoyemi, Elegbede, & Gbajumo-Sheriff, 2011). Nigeria is one of the most populous countries in Africa, with an abundant workload and numerous talented graduates. However, attracting, developing, deploying, and retaining these talents to take up the workload have become a challenge for many organisations such as banks. Fajana & Ige (2007) argued that the achievement of high performance had been the driving force behind the pursuit of HRM practices, such as T&D in Nigeria. Considering the variation in culture, economy, environmental, and organisational factors prevalent in Nigeria, adopting foreign T&D programs to apply in Nigeria, organisations may prove abortive (Anakwe, 2002). Therefore, an in-depth understanding of the current T&D programs and employees perceptions of such T&D programmes will enable the banks to invest, design, and implement these programmes wisely to encourage transfer. Nigeria currently uses a combination of local and foreign HRM practice; this seems challenging due to variation in the adoption of these practices. Nigeria can still learn a lot from other developed countries on strategic approaches for the development of its employees for optimal utilisation and effective management (Fajana *et al.*, 2011).

Research Methodology

This research is based on preliminary data obtained from a pilot study that forms part of a student Ph.D. thesis, which is currently in progress. The pilot study involved an initial visit to Abuja, Nigeria, where the data was collected. Using purposive sampling techniques, the researcher conducted semi-structured face-to-face interviews with a total of eight bank employees aged 25 to 40 years from four commercial banks. The choice of the four cases (Banks) was systematic, based on their strategic position among commercial banks in Nigeria. The interview included respondents from different departments of the chosen banks, ranging from head of customer service to auditing, relationship officer, business banking

marketer, and others. The recorded interviews were transcribed verbatim and thematically analysed using NVivo software (Version 12, QSR International, Melbourne, Australia). However, considering that the data was not evenly distributed among the banking sector, the investigation may not be representative of the general banking sector in Nigeria.

Findings – In explaining the causal and explanatory mechanisms that operate between employee's T&D perception and its subsequent transfer to workplace, AMO theory was used in this study to explain the employees' skills, abilities and knowledge coupled with work place opportunity in relation to T&D perception and transfer. While employees appreciate the importance of T&D (which is in line with the AMO theory) to improve their performance and enhance their career progression, bank management did not seem to place the same importance. Similar to other studies (Baldwin and Ford, 1959; Lim and Johnson, 2002; Lim and Morris, 2006) this study found that there are different hindrances and facilitators to T&D transfer. These hindrances were identified as poor equipped, unsupportive-work environment, protection of status quo, and difficulty in customer/employee relationships.

According to Lim and Johnson (2000) lack of work-tools can affect how well employees use their newly acquired and improved knowledge and skills; a work environment where employees are given the opportunity to put to use their skills and knowledge effectively is a key component of the work environment related factor identified by (Grossman and Hutchins, 2011). In line with the AMO theory, findings from this study revealed that employees understand and appreciate that: T&D enhances and optimizes their performance and with the right motivation, they are willing to go the extra mile to improve performance. However, if the work environment does not provide adequate opportunities for employees to perform, then their abilities (knowledge, skills and abilities) and motivation such as intrinsic (e.g. career opportunities or recognition) and/or extrinsic (financial incentives or reward) might eventually become meaningless to both parties (Raidén, Dainty, & Neale, 2006; Munteanu, 2014). This agrees with Ferenhof, Durst, & Selig (2016) who reported that knowledge, skills and abilities wastage indicates organisations' inability to fully utilise their employees' knowledge capacity. Unfortunately, this is true for all the banks in this study. Work environment factors such as lack of work tools were perceived by employees as possible barriers to T&D transfer, which potentially hinders their effectiveness.

To improve and encourage T&D transfer, employees revealed the need for the banks to provide financial reward system, well equipped work environment, and regular T&D.

According to Olalero & Adenugba (2013) financial reward systems serve as motivators, and when employees are motivated in the right ways, they tend to perform better. Contrarily, Herzerg (1959) postulated a two factor theory such as recognition and achievement in motivating employees as the financial reward system application may be considered expensive and may have a detrimental effect on changing or re-writing the psychological contract (Bassett-Jones & Lloys, 2006).

From this analysis, employees understand the role of T&D in performance improvement, career progression and workplace limitation to T&D transfer and implementation.

Practical Implication

The study is significant owing to its ability to contribute to knowledge on T&D as indices that should be recognised as a parameter that improves performance within the banking industry. The study will further showcase findings from Nigeria on the variations in perceptions of employees on T&D as a HR practice in the banking industry. The novelty of this study is its contribution to the understanding of T&D in the Nigerian context, especially in the banking sector. The study can also contribute to the generalisability of findings to other developing countries who share similar experiences and national systems. Given the periodic reforms in the banking sector, it is important for banks to ensure that employees are equipped with the necessary skills, motivation, knowledge and opportunity to succeed in the ever changing and competitive banking industry. Finally, it is considered a valuable study that is likely to have implication for practioners in the sector, both management, political class, and the academia.

Keywords: Training and Development, Employees perceptions, training transfer, Commercial Banks, Nigeria

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