

## EFFECTS OF TRAINING ON EMPLOYEES' PRODUCTIVITY ORGANIZATION

### ABSTRACT

*Robust employees training programme will enable business organisations to have the right set of workers with the required skills, knowledge and attitude to manage the different industries in Nigeria, as well as plan adequately and wisely to meet the challenges of skills deficiency, for the industries in the future. This research study reviews the effects of training on employees productive in the insurance industry, the challenges militating against employee training in the insurance industry in Nigeria. The study evaluates key policies on insurance employee training and development, how it enhances employees' productivity in the insurance industry. The survey research methodology was employed in this study, this enable the researchers to successfully gain greater insight on the subject and resolve unexpected issues. The findings of the study show that in order for organisation to achieve optimum returns from her investment, there is the need to development programs and effectively manage training of employees', which is the most vital asset of organisations and the dynamic of their productivity. The study concludes that the insurance industry in Nigeria as a matter of urgency should formulate policies that enshrine employees training so as to improve employees' productivity in the industry, in order to arrest the present sluggish productive situation.*

**Key words:** Training, Productivity, Employees, Insurance Industry

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## Introduction

Global business and market are composed of competitors, irrespective of the industry our organisation is operating. To develop a competitive advantage, it is imperative for organisations to truly leverage on the employees productivity as a competitive instrument for success in achievement of organization objectives.

The need for improvement of employees’ productivity and drive higher value for the organisations has become an important focus. Organisations seek to optimize their employees’ productivity through comprehensive training development programmes not only to achieve business goals but most important is for long term survival and optimum productivity.

The above can only be accomplish when organisations invest resources to ensure that employees have the required knowledge, skills, competencies and attitude to work productively in a rapidly changing and complex environment.

In response to the changes, most organisations have embraced the notion of employees training as good competitive advantage that will enhance higher productivity. Employees’ training becomes part of an overall effort to achieve cost-effectiveness and organisation productivity. Hence, organisations need to understand training programmes that would enhance employee satisfaction and improve productivity.

That many graduates of Nigeria Universities and other higher institutions of learning fall short of employers or industry standard is no longer news (Idehan 2007). The manpower training system in Nigeria as a source of supply of skilled labour for industries and insurance industry in particular over the years invoked concern. This study evaluates problems of employees training as it impact on productivity in insurance industry in Nigeria.

## Research Question

The study seeks to find answers to this question:

Will training affect employee productivity?

**Ho: there is no significant effect of training on employees’ productivity**

## CONCEPTUAL FRAMEWORK

Training is a commonly used term which has various meanings to various people, yet it is a very important concept to all society. There are cases where training is simply taken to mean impartation of ‘knowledge’, ‘enlightenment’ or ‘wisdom’. Davidson, (1997) defines training ‘as the process of teaching and given instruction, the process of

improving’. Similarly, Macmillan English Dictionary for Advance Learners (2007) define training as ‘the activity of educating people, and all the policies and arrangements concerning this’. However, National Teachers’ Institute of Nigeria (NTI) gave following definitions of Training: Philosophy of Education (2007).

i. Training is a process that starts from birth and ends at death.

ii. Training is the sum total of all culture which a society deliberately gives its younger generation in order to qualify them and raise the level of improvement it has attained.

iii. Training is the process of developing knowledge and ability in learners for personal and societal enhancement.

iv. Training is the totality of life experience.

For the purpose of this study, *training is defined as the knowledge and abilities, development of character and mental powers, acquired through systematic giving of instruction for the improvement of the employees’ productivity in organisation.*

The above definition makes it very apparent that training plays a role as a refiner and regulator of human behaviours in organisations. It does not only embrace the deliberate processes of improvement of skills, knowledge, and attitude but includes even indirect and incidental influences. The core value of training here is the culture which gives deliberate purposeful skill to those who are to be its successors in order to empower them for use to raise the level of improvement which has been attained.

Training involves showing the evidence of knowledge and breadth of understanding. The two terms are being used together here to prove that Training is much more than just mere recitation of information and the acquisition of skills (which is the reality of training). The National Teachers’ Institute in its General Principle and Methods of training (2007) stated that the general aims of Training as given by O’ Lenor (1957) are:

a. To provide men and women with the minimum of skills necessary for them to take their place in the society and to seek further knowledge.

b. To provide men and women with vocational training that will enable them to be self supporting.

c. To awaken an interest in and a taste for knowledge

d. To make people critical

e. To put people in touch with and train them to appreciate the cultural and moral achievement of mankind.

Based on the above it is apparent that Training changes uninformed employees to informed employee; training changes unskilled or semiskilled workers into skill employees who can do their assigned tasks in the way the organization wants them done into workers who do things the right way. Training could then be seen as activities aimed at improving the performance of personnel in organizations for the attainment of continuous improvement in productivity.

## **Productivity**

An understanding of the concept of productivity improvement program requires clear definition of the following concept issues, productivity programmes. According to Ulrich in (Sheriff Bukar, Ali Baba Shehu , & Aliyu Idris, 2012) , productivity refers to a ratio of output to input.

Input may include labour hours or costs, production costs and equipment costs. Output may consist of sales, earnings, and market share. Many firms now assume or have shown that productivity is affected by employee's knowledge, skills, abilities, attitude, motivation and behaviours.

The improvement programme starts with this assumption and proceeds with different intervention strategies. Prokopenko (1996) defined productivity as the relationship between the output generated by a production or service system and the input provided to create this output.

## **EMPIRICAL FRAMEWORK**

Jane Richards (1997), the study investigated Management Training and how it affect productivity, the main objective of the study was the augment for the need to embark on management programme, the research study focus on the individual manager and their position in the company. The author's discussion on training needs analysis i.e., about core competencies, job profiling and identification of competencies gaps-either against core competencies for individuals or against job profiles for generic roles. The study concluded that training have positive effect on employees productivity.

Shishupal Singh Badhu and Karunesh Saxena (1999), Role of Training in Developing Human Resources is another work of relevance. In this, the authors concluded that an organization should have well-defined training policy as well as training manual and training should be made an ongoing process. Regarding the executive development programmes the authors have concluded that, these programmes have been found to be useful in improving the productivity, efficiency and effectiveness of managers. The authors have suggested that these programmes should be included as an integral part of the training programme. To meet the demands required of businesses in today's highly competitive market, companies are finding it necessary to provide ongoing training to their employees. In the past, the training offered by most businesses was driven by regulation, customer service requirements, and safety compliance issues. However, businesses are now providing training as a means of increasing worker productivity and performance and improving worker retention.

Riyaz Rainaye (2004), the study empirically examined the training policy in two commercial banks, namely, State Bank of India and Jammu & Kashmir Bank Limited. The focus is on the various facets of training including Management's attitude towards training, training inputs, quality of training programmes and transfer of training to the job. Whereas it records that the training scenario is to a large extent satisfactory. It evaluates the opinions of the employees of two cadres of both banks: in particular that it can be made fully effective only when the training needs assessment and transfer of training to the job are considerably improved, besides bringing in final improvements in other dimensions, it also improve employees productivity.

Shefali Verma and Rita Goyal (2011) studied training in insurance and their impact on employees productivity, how training and development function plays a enhanced role, as it deals with knowledge of workers. Employees are entrusted with different roles and responsibilities. Training enables them to carry out these roles and responsibilities efficiently and also learn new things, which will prepare them to take up higher responsibilities in the future. The study analyzes the status of various training and development practices in Life Insurance Corporation

in India and explores the proposed link between the training and employees productivity. The study makes use of statistical techniques such as mean, standard deviation, Z test. Correlation analysis and regression analysis to process and analysis the data collected for this study. The result shows that training in Life Insurance Corporation is average and the perception of employees regarding the Training and Development does not differ significantly. The paper ends by offering useful suggestions to the management involved in the operations of the corporations. Some of the recommendations are- it is vital that managers, senior executive, as well as all employees receive training; and that any training/management development which takes place is based on proper analysis of its contribution to the effectiveness and efficiency of an organization.

## EFFECTS OF TRAINING ON EMPLOYEES PRODUCTIVITY

The type of employee training best suited to a specific organisation depend upon a number of factors such as skills, called for in jobs to be filled, qualifications of candidates applying for jobs and the kinds of operating problems confronted by the organisation. Although it is important that the training program will meet specific needs, the personnel administrator or training director should be familiar with the whole range of training as practiced in other firms and organisation in order to be able to advise managers on training methods best suited to their needs.

The various types of employee training are outlined below:

- a) **Public Vocational School Training or refresher Courses Classroom Training:** This may be arranged by the training director in co-operation with public or trade school authorities to provide training in stenography, computer programming etc. In some cases, this type of training precedes employment. But it is likely to be more effective if it is closely geared to the needs of a specific company.
- b) **Apprentice Training:** This is desirable in industries such as the metal trades, printing traders and building construction, which require a constant flow of new employees who expect to become all-round Craftsmen. Since this training is long and requires continual supervision, this method of training is expensive.
- c) **Vestibule Training :** This is used primarily when large numbers of employees must be trained quickly, as during rapid expansion of employment in some firms or industries, although it is also helpful as a preliminary to on-the-job training. New workers are trained for specific jobs on special machine or equipment in separate locations.
- d) **Programmed Instruction:** A more recent training method uses teaching machines, programmed books or filmstrips. It differs from conventional forms of training in which the trainer guides the learning process, because the material to be learned is presented in a way which individual learners can control. Learning proceeds in "bits" to which the individual student responds with correct or incorrect answers or solutions, moving ahead only as fast as each step of bit is learned and understood.
- e) **On the Job Training:** This is the most popular and in some cases, the only form of training programme used by some organisation 90% of employee of Sterling Assurance Nigeria Ltd go through this method because it is believed that it is the most effective. One of the advantages of on the job training is that it minimises the problem of transfer of learning associated with other methods of training. On the job training could be an on-

going process that does not excessively disrupt normal company operation. The major disadvantage is that the trainer could pick up bad habits. This method can be further broken down as follows:

**i) Job Rotation:**

This is a training device that makes it necessary to move the trainee from one department to another to master what goes on in that selection. The essence of this programme is to broaden his experience in difference jobs.

**ii) Apprenticeship Programmes:**

This method of training is employed when extensive practice or technical knowledge is required to perform the job. The training combines on the job training with classrooms lectures e.g. Electrician and other technicians. These are the commonly used methods under on the job training method. Others are internship coaching, committee assignments, task force assignment etc.

**f) Off the Job Training:**

Off the job training may be provided by members of the training department, external education and training establishment or training providers – training consultants or guest speakers. Many organisations are increasingly turning to external training providers rather than maintaining their own establishments of training staffers. Under this methods the technique usually adopted are:

**i) Classroom Lectures:**

This involves all the trainees in a formal classroom being lectured by qualified personnel.

**ii) Vestibule Training:**

This is a training device that trains the employee of his regular work area but in an environment closely resembling his work place. He practices his skill with identical equipment that he uses at his regular work place.

One of the advantages is that costly mistakes are avoided and the problem of transfer of training is enhanced as the trainee practices with identical equipment, a good example of this is the cashier training. Other techniques under this method are: Film show and demonstration, role – playing, Educational Television programmed instruction etc.

As pointed out earlier training should be an on-going affair. Training should not always be very formal. A good training can last for only a few hours or weeks, duration does not determine the quality of training. It is important to prepare the employee to be trained. He should be motivated to achieved mental preparedness, and he must exhibit the desire to learn by being made to see the usefulness and applicability of the training. Every employee should know the training circle, which should come after his performance appraisal.

Apart from the fact that the above training programme is cost effective and efficient, results are quick and can be evaluated within a short time.

## **Theoretical Underpinning**

This study is anchored on the behavioral attitudinal theory (Sari & Antti, 2003; Halachmi, 1992) in terms of positive work attitudes by employees. The term, positive work attitudes by employees' emphasis "employees' voluntary/ positive work attitudes toward organizational goal achievement", based on Ruch's (1994) and Lehman and Simpson's (1992) definition. Employees' positive work attitudes was measured by six measurement indices, based on Sari and Antti's (2003) and Dyne and LePine's (1998) model; 1) willingness to help others to achieve a goal; 2) strive for higher quality work than required; 3) strive for more work to do than required; 4) creative about solving the work problems; 5) willing to take new responsibilities; 6) met deadlines and occasionally completed assignments ahead of specific deadline.

## **Methodology**

As Bryman (1988) pointed out, aggregation of knowledge almost always follows two paradigms (1) quantitative (positivist), (2) qualitative (interpretivist) approaches. Training investigation has a very broad outlook overlapping several academic disciplines from the management to the social sciences.

Survey questionnaire was employed in this study because it was well suited to the descriptive and correlative nature of the study. The questionnaire collected quantitative data of 110 persons from Sterling Assurance Nigeria Limited who participated in the research, only 100 completed questionnaires were recorded, and 10 questionnaires were not returned. The data collected were useful in measuring the identified variables and testing the specified hypothesis of the study, which were early set.

Survey data from the questionnaire were nominal in nature. Most of the data generated from the questionnaire survey were analysed using Chi-square tests.

## **Data Presentation and Analysis**

### **Historical background:**

Sterling Assurance Nigeria Limited was incorporated in 1990 and provides competitive services for all categories of general insurance business. The company's head office is in Lagos and ten branches spread across Nigeria. The company presently have one hundred and ten employees on her pay roll.

Table A: Responds from respondents

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| Effect of training on employees productivity                                                                          | SD<br>1 | D<br>2 | UD<br>3 | A<br>4 | SA<br>5 |
|-----------------------------------------------------------------------------------------------------------------------|---------|--------|---------|--------|---------|
| Training increases employees willingness to help others to achieve a goal                                             | 5       | 5      | -       | 55     | 35      |
| Training enable employees to strive for higher quality of work than required                                          | 20      | 28     | -       | 32     | 20      |
| Training improve employees ability and creativity in solving the work problems                                        | 2       | 2      | -       | 56     | 40      |
| Training increases employees willing to take new responsibilities                                                     | 8       | 10     | -       | 52     | 30      |
| Training makes employees strive for more work to do than required                                                     | 20      | 35     | -       | 35     | 10      |
| Training equipped employees with required skills to met deadlines and complete assignments ahead of specific deadline |         | -      | -       | 70     | 30      |
| Total                                                                                                                 | 55      | 80     | -       | 300    | 165     |

245 Over 70% of the respondents concurred to the question that training will certainly increase their productivity; the  
 246 research was further subjected to inferential statistical analysis to ascertain this claim using the chi-square  
 247 distribution.

## 248 **Test of Hypothesis**

### 249 **Hypothesis**

250 **Ho: there is no significant impact of training on employees' productivity**

251 This hypothesis was analyzed from respondents' opinion in table A of the questionnaire as indicated in the table  
 252 above. We adopted the linkert scale was used to get response to estimate the degree or influence of training on  
 253 employees' productivity with the assumption that employees' productivity is a function of training. To form a  
 254 generalized opinion on the effect of training on employees productivity through the variables, the then formulated  
 255 hypothesis above are tested using chi-square method. From the data collected from the questionnaire:

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261 Table B

| S/n   | Impact of training on employees productivity                                                                          | agree<br>(0) | Expected<br>(e) | (o-e) <sup>2</sup> | (o-e) <sup>2/e</sup> |
|-------|-----------------------------------------------------------------------------------------------------------------------|--------------|-----------------|--------------------|----------------------|
| 1     | Training increases employees willingness to help others to achieve a goal                                             | 90           | 77.5            | 156.25             | 2.02                 |
| 2     | Training enable employees to strive for higher quality of work than required                                          | 52           | 77.5            | 650.25             | 8.39                 |
| 3     | Training improve employees ability and creativity in solving the work problems                                        | 96           | 77.5            | 342.25             | 4.42                 |
| 4     | Training increases employees willing to take new responsibilities                                                     | 82           | 77.5            | 20.25              | 0.26                 |
| 5     | Training makes employees strive for more work to do than required                                                     | 45           | 77.5            | 1056.25            | 13.63                |
| 6     | Training equipped employees with required skills to met deadlines and complete assignments ahead of specific deadline | 100          | 77.5            | 506.25             | 6.53                 |
| Total |                                                                                                                       | 465          | 549             | 191.75             | 35.25                |

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$$\sum_E (o - E)^2$$

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264 Where O=the observed frequency

265 E=expected frequency

266 Over 70% of the respondents concurred to the question that training will certainly equipped employees with required  
 267 skills to met deadlines and complete assignments ahead of specific deadline and increase their productivity, the  
 268 research was further subjected to inferential statistical analysis to ascertain this claim using the chi-square  
 269 distribution as above in table B.

## 270 Discussion of Findings

271 The hypothesis stated that Ho<sub>1</sub>: there is no significant effect of training on employees' productivity

272 The result of the above calculation with the x<sup>2</sup> table for the purpose of making decision of either accepting or  
 273 rejecting the hypothesis. The x<sup>2</sup> table value is obtained as follows:

This output shows in table B.  $X^2_{tab} = T$  at 5% level of row(r) is 6, the number of column(c) is 2 which means the degree of freedom is 5. The  $x^2$  calculated from the table above is 35.25 while the  $x^2$  tabulated at 5 degrees of freedom at 5% level if significance is 11.07. Since the  $x^2$  calculated falls within the critical region, we then reject the null hypothesis and accept the alternative hypothesis  $\{H_1: X^2 > 0\}$  and conclude that the training have significant effect on the employees productivity in the insurance industry in Nigeria, (Pallant, 2010).

The findings of the study agreed with the result of earlier study. The current results is consistent with findings of Jane Richards (1997), Shishupal and Karunesh (1999), Riyaz (2004), Shefali and Goyal (2011)

## **Recommendations**

The followings are recommended:

There is a need for more research on this topic, mostly in the areas of seeking effective methods, to improve training and development programme in Nigeria in general and insurance industry in particular.

There should be a forum where experience practitioners and junior/meddle employees can meet to discuss on the challenges facing insurance practice in the present economic environment and how best to tackle them. This will enable the organisation policy maker to be acquainted or informed with the problems of the employees' productivity. This will in a more practical way assist to ameliorate the existing knowledge on skill gap. Thus, help to enhance training programme that improve employees productivity.

A policy thrust should be established for the insurance industry to encourage active involvement of employees training and development. This is with a view to enable the industry operates with adequate supply of skilled and knowledgeable personnel to meet the present and future employees productivity challenges of the sector in Nigeria.

Government through National Insurance Commission (NAICOM), should be mandate to run courses on skills and development that improves employees' productivity so as to provide sound and competent manpower that can move the industry forward in Nigeria instead of relying on foreign expatriates.

## **Suggestions for further research**

Considering the fact that training is complex further research should accommodate more insurance organisation and stakeholder in the sector. Further research can be made by enlarging the research sample size and more stakeholders for interview so as to form as stronger basis to adjudge the impact of training on employees' productivity in the whole of insurance industry.

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