

## Assessing the Impact of Training Design and Development on Employees' Performance Insurance Sector in Kingdom of Saudi Arabia

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### **Abstract:**

*The focus of the study is to examine the impact of Training design and Training & Development practices on employees' performance of insurance sector in Kingdom Saudi Arabia. The study conforms to both quantitative and qualitative research. The study in hand provides brief overview of the literature about training effectiveness and how it contributes in enhancing the employee performance and lastly concludes along with recommendation to give directions for future research by applying different level of analysis on exploring the impact of training practices on employees' performance. This study shows that the training program, design and implementation must be planned and systematic approach, towards enhancing performance and productivity. It has been observed that most organization meet their training needs, then design training activities in a rational manner and finally assess the results of training. The study concludes that if organizations invest in right type of employees' training it can enhance employee performance as well as competencies and skills. In addition, training design as a useful means in job involvement, delivery styles, organization commitment, quality services and importantly most it plays a key role to enhance employees' performance.*

*Keywords: Training Design, Development, Employees' Performance, Job Involvement, and Organization commitment.*

### **I. INTRODUCTION**

A few decades ago particularly, after the emergence of the term globalization, the companies are more focus in investing in human resource development, as it has become a certainty to have that the human element cannot be replaced by technology. In every part of the world, organizations devote a significant amount of their funds and other resources on training and development programs with the expectation of improving performance (Baum, 2007). Organizations are facing increased competition due to globalization, changes in technology, political and economic environments (Evans *et al.*, 2002) and therefore prompting these organizations to train their employees as one of the ways to prepare them to adjust to the increases above and thus enhance their performance. The human element is a thinker, a creator, an innovator, a developer, so these companies are able to increase market share, or maintain market share at the very least. It must have a provision high quality products, and special features, which will satisfy the ambition of consumers. Over reliance of training and development programs as measure to stop performance gap is a common phenomenon in many organizations worldwide (Isaac, 2009). Managers of organizations, in particular the research organization, need to understand and know the level of extent of thinking and development programs that can impact on desired expectation of their employees (Maher, 199). It is important not to ignore the prevailing evidence on growth of knowledge in the business corporate world in the last decade. This growth has not only brought about by improvements in technology nor a combination of factors of production but increased efforts towards development of organizational human resources (Nassazi, 2013). Therefore, in every organizations is a responsibility to enhance the job performance of the employees and certainly implementation of training and development is one of the major steps that most companies need to achieve this. As is evident that employees are a crucial resource, it is important to optimize the contribution of employees to the company aims and goals as a means of sustaining effective performance. This therefore calls for managers to ensure an adequate supply of staff that is technically and socially competent and capable of career development into specialist departments

or management positions (Afshan *et al.*, 2012). Training is a necessity in the organization. Without it, employees do not have organization grasp on their responsibilities or duties. Employee training refers to programs that provide employees with information, new skills, or professional development opportunities.

The question that may arise in many instances is why human resources are important. Bearing in mind that human resources are the intellectual property of the firm, employees prove to be a good source of gaining competitive advantage (Beardwell, 2004) and training is the only way of developing organizational intellectual property through building employees competencies. In order to succeed. Training is require by the employees to sufficiently execute a task or job and to improve performance in the organization.

## II. LITERATURE REVIEW

Training and development are vital elements to successful work and growth in any organization. Human resource is the very important and the backbone of every organization. Expansion of industrial development in the modern era has helped the emergence of organized employee in the organizations. Therefore, organizations need to invest huge funds on the human resource capital because the performance of employees will ultimately increases the performance of the organization (Dora & Sabahg, 2008). Training is a type of activity which is planned, systematic and it results in enhanced level of skill, knowledge and competency that are necessary to perform work effectively (Gordon, 1992). Organizations are dedicated to generating profits for its owners (shareholders), providing quality service to its customers and beneficiaries, invest in the training of its employees (Evans & Lindsay, 1999). The more highly motivated a trainee, the more quickly and systematically a new skill or knowledge is acquired. That is why training should be related to money, job promotion etc, i.e. something which the trainee desires (Diefendorff, 2002). There are four prerequisites for learning: Motivation comes first. Cue is the second requirement. The learner can recognize related indicators and associate them with desired responses with the help of training. Response comes third. Training should be immediately followed by positive reinforcement so that the learner can feel the response. Last is the feedback; it is the information which learner receives and indicates in the quality of his response. The response must be given as quickly as possible to make sure successful learning (Paullay *et al.*, 1994). According to the Study of Lateef, 2008 that the role of training in the evaluation of the efficiency of the employees' performance, within the hotel sector-a study of the views of managers and heads of departments and employees at the Rashid Hotel-Baghdad. The study found the presence of great importance to training in evaluating the performance of employees and achieving a high level of customer satisfaction. Training and Development deals with the acquisition of understanding, know-how, techniques and practices. In fact, training and development is one of the imperatives of human resource management as it can improve performance at individual, collegial and organizational levels (Tahir *et al.*, 2014). Job performance can be defined as employees perform their actions according to the requirement of the job (Khan, 2011). Job involvement results in higher levels of in-role job performance by positively affecting employees' motivation and effort (Brown, 1996). Involvement in the official tasks directly or indirectly influences the employee performance. Effort is an intervening element between the relationship of job involvement and performance (Brown & Leigh, 1996). There is a positive relationship between job involvement and performance (Hafeez & Jinnah, 2015). A weak connection can exists between job involvement and employee performance due to some other variables. The job involvement is directly and indirectly affected by these variables and performance is automatically affected by the job involvement (Wright & Geroy, 1996).

As the process of 'increasing one's capacity to take action, organizations are now increasingly becoming particular with organizational learning and therefore collective development. Organizational learning, on the other hand, refers to the efficient procedure to process, interpret and respond to both internal and external information of a predominantly explicit nature. The emergence of the concept of organizational learning is central on the hitherto idea that prior advocacies of learning are tended to its commercial significance and are lacking of empirical information on learning processes (Easterby-Smith *et al.*, 1999). The importance of training and development in evaluating the performance of employees and achieving a high level of customer satisfaction (Blanchard and Thacker 2009). Gamage & Imbulana, 2013 conducted a study for identifying the

effectiveness of the training and development of the call center staff of the Sri Lanka Telecom. The performance was measured with the dimensions of employees Productivity, Absenteeism and the Job Satisfaction. The statistical analysis of the study revealed that that there is a significant positive relationship between the training & development and the employee productivity.

For many years, management and development of human resource in organization has proved to be a very crucial and an important primary factor in achieving improvement in organizational productivity. Based on the various reviews and academic works presented by different scholars, it is clear that success of any organization determined by its fundamental philosophy of investing and valuing employees. These are among the many factors in the human resource department that play a vital role in retention of employees in an organization as well as ensuring high performance of the employees with the existing facilities. For instance, the main reason as to why organizations face difficulties to achieve organization goals because they only depend on employees' performance. Fundamentally, many organizations are currently apprehending that employees' performance is a strategic factor and characterize a competitive advantage. The most important principal is the fact that this aspect of the employees' performance is the most crucial asset of every organization. A business is the same as dead if these resources not well managed. The problem of the research was the impact of training design and training & development on the employees' performance.

### III. THEORETICAL FRAMEWORK OF THE STUDY

In the literature review, it has been observed that the training design and training & development has an impact on employees' performance. To implement the study following dependent and independent variables are shown in theoretical framework. The independent variable is training design and dependent variables (the job involvement, delivery style, organization commitment, quality services and employees' performance). On the other side, this study also study impact of training and development on the job involvement, delivery style, organization commitment, quality services and employees' performance (dependent variables). These two variables have been chosen to see the relationship between these variables i.e. to see the impact of Training & development on the organizational Performance. Training design and training & development are the tool to improve organization performance. To implement the study following dependent and independent variables shown in the theoretical framework Figure 1 and Figure 2.

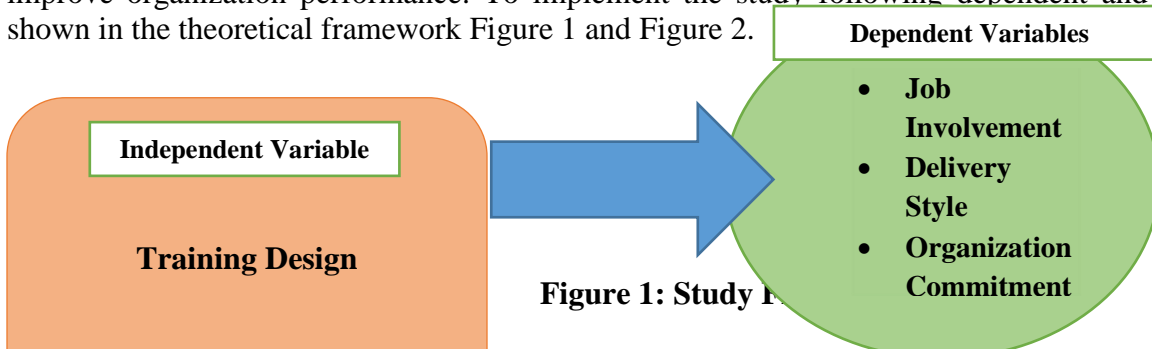


Figure 1: Study Framework

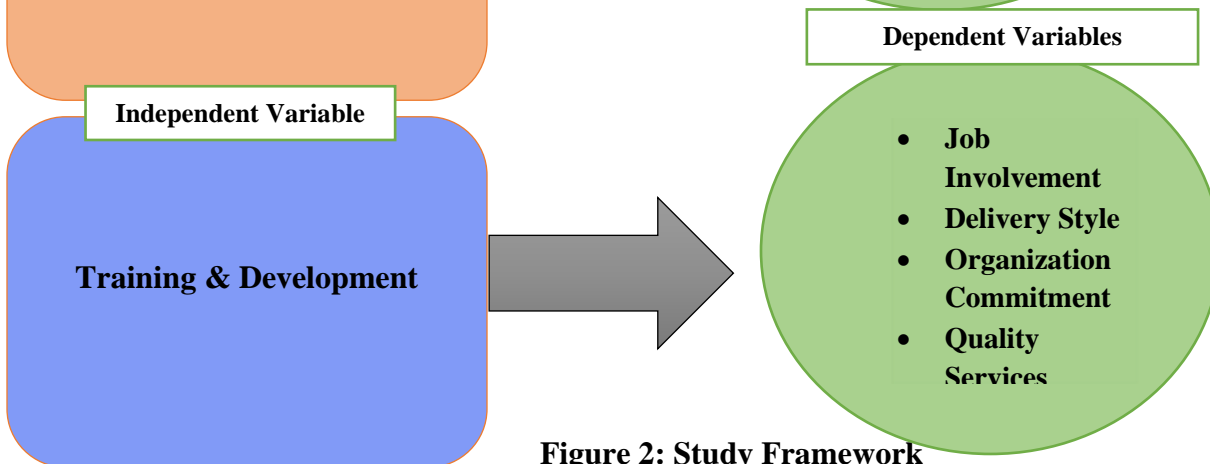


Figure 2: Study Framework

#### **IV. STUDY HYPOTHESIS**

On the basis of review literature and above theoretical framework below are the develop hypothesis.

**The First Hypothesis: Impact of Training Design on dependent variables.**

**H<sub>1</sub>:** There is a significant impact of training design on the job involvement, delivery styles, organization commitment, quality services and employees' performance.

**The Second Hypothesis: Impact of Training and Development on Job Involvement.**

**H<sub>2</sub>:** There is a significant impact of training and development on job involvement.

**The Third Hypothesis: Impact of Training and Development on Delivery Styles.**

**H<sub>3</sub>:** There is a significant impact of training and development on delivery styles.

**The Fourth Hypothesis: Impact of Training and Development on Organization Commitment.**

**H<sub>4</sub>:** There is a significant impact of training and development on organization commitment.

**The Fifth Hypothesis: Impact of Training and Development on Quality Services**

**H<sub>5</sub>:** There is a significant impact of training and development on quality services.

**The Sixth Hypothesis: Impact of Training and Development on the Employees' Performance.**

**H<sub>6</sub>:** There is a significant impact of training and development on the employees' performance

#### **V. METHODOLOGY**

In the review of literature, it has been observed that the training has an impact on different variables. This research based on both quantitative and qualitative research. At first phase, an exploratory research conducted to understand the nature of problem and its subcomponents. To meet the research objectives both primary and secondary sources of data have been used. More emphasis given on primary data to conduct the research program authentically. A model questionnaire have developed to elicit essential data. The research community is the employees working in insurance organization in the Kingdom of Saudi Arabia. The sample size of the study is 458 employees from the ten insurance organizations in Saudi Arabia. This research based on impact of training programs followed by insurance organizations. Convenience sampling technique used to select specific samples. Various statistical methods and formula used. All questions are close ended questions with the use of a five point Likert statements to unorganized retailers to indicate their agreement on a five point Likert scale (1=strongly agree and 5=strongly disagree) and open-ended and close-ended were administered during peak hours. The analysis of the questionnaire was undertaken using Statistical Package for Social Sciences (SPSS).

#### **VI. DATA ANALYSIS AND DISCUSSION**

Table 1 shows that the impact of the training design on the job involvement, delivery services, organizational commitment, quality services and employees' performance. The results in table 1 shows that the training design impact on the job involvement and delivery services, where (F) value 6.915 and 6.234, less than (F) tabled value, and with (0.000) significance. There is an impact on the organizational commitment and quality services, where (F) value 7.215 and 6.115 which are less than (F) tabled with (0.000), (0.001) significance. And lastly, employees' performance also impacted by training design, where (F) value 6.115 and 7.315 which are less than

(F) tabled with (0.001), (0.002) significance, which are less than alpha value (0.05) Therefore first hypothesis prove there is impact of training components on dependent variables.

**Table 1: ANOVA analysis of Impact of Training Design on the job involvement, delivery styles, organization commitment, quality services and employees' performance.**

		F	R2	Degree	Rate	Sig.
<b>Job Involvement</b>	sum of squares regression	6.915	1.661	1.0	1.204	0.002
	sum of squared residuals		14.472	458		
<b>Delivery Style</b>	sum of squares regression	6.234	1.42	1.0	1.432	0.000
	sum of squared residuals		14.010	458		
<b>Organizational Commitment</b>	sum of squares regression	7.215	1.23	1.0	1.331	0.000
	sum of squared residuals		13.570	458		
<b>Quality of Services</b>	sum of squares regression	6.115	1.23	1.0	1.311	0.001
	sum of squared residuals		13.559	458		
<b>Employees' Performance</b>	sum of squares regression	7.315	1.93	1.0	1.201	0.002
	sum of squared residuals		13.994	458		

The Table 2 shows that most of the means are in between 4.33456 and 4.45658; it means respondents think that the Training and Development has significant impact on job involvement. This also proves our second hypothesis, which is;  $H_2$ : Training and development has significant impact on the job involvement. If we see the z-test value, it lies in the critical region. It means the data and the results are significant of our second hypothesis.

**Table 2: Z-Test**

<b>Z-Statistics</b>		
	<b>Variables 1</b>	<b>Variables 2</b>
<b>Mean</b>	4.33456	4.45658
Observation	458	458
Mean Difference	0	
Z	0.302041309	
P(Z<=z) one- tail	0.426278866	
z Critical one -tail	1.976773627	
P(Z<=z) two -tail	0.33725024	
z Critical two - tail	1.235978987	

Table 3 Training and Development helps employees to get the knowledge of different styles for delivery. People learn from their practical experience much better as compare to bookish knowledge. All these results prove Third Hypothesis, which is  $H_3$ : training and development has significant impact on the delivery styles.

And it has a positive impact on the organizational performance. In the table 3 the means are in between 4.23121-4.39230, it means that respondents think that Training and development has significant impact on the delivery styles. Employees are very conscious about the delivery styles. The respondent's response that delivery style is very important in the training. The z test value it lies in the critical region. It means the data and the results are significant of third hypothesis.

**Table 3: Z-Test**

<b>Z-Statistics</b>		
	<b>Variables 1</b>	<b>Variables 2</b>
Mean	4.23121	4.39230
Observations	458	458
Mean Difference	0	
z	0.49456796	
P(Z<=z) one-tail	0.565677068	
z Critical one-tail	1.644853627	
P(Z<=z) two-tail	0.876423288	
z Critical two-tail	1.670987877	

Fourth hypothesis that is H<sub>4</sub>: Training & development has significant impact on the organizational commitment. Table 4 shows that the z-test value it lies in the critical region. It means the data and the results are significant of our fourth hypothesis. The means are in between 4.25316- 4.27646, it means the respondents think that Training and Development has significant impact on the organizational performance.

**Table 4: Z-Test**

<b>Z-Statistics</b>		
	<b>Variables 1</b>	<b>Variables 2</b>
<b>Mean</b>	4.25316	4.27646
Observations	458	458
Mean Difference	0	
Z	0.78765565	
P(Z<=z) one- tail	0.345455355	
z Critical one -tail	1.844853627	
P(Z<=z) two -tail	0.986456566	
z Critical two - tail	1.259963985	

Fifth hypothesis that is H<sub>5</sub>: Training & development has significant impact on the quality services. Table 5 shows that the z-test value it lies in the critical region. It means the data and the results are significant of our fourth hypothesis. The means are in between 4.24544- 4.34571, it means the respondents think that Training and Development has significant impact on the quality services.

**Table 5: Z-Test**

<b>Z-Statistics</b>		
	<b>Variables 1</b>	<b>Variables 2</b>
<b>Mean</b>	4.24544	4.34571
Observations	459	459
Mean Difference	0	
Z	-0.187868887	
P(Z<=z) one- tail	0.34523455	
z Critical one -tail	1.844853627	
P(Z<=z) two -tail	0.766355656	
z Critical two - tail	1.59963985	

Sixth hypothesis that is  $H_6$ : Training & development has significant impact on the employees' performance. Table 6 shows that the z-test value it lies in the critical region. It means the data and the results are significant of our sixth hypothesis. The means are in between 4.66671- 4.34411, it means the respondents think that Training and Development has significant impact on the employees 'performance.

**Table 6: Z-Test**

<b>Z-Statistics</b>		
	<b>Variables 1</b>	<b>Variables 2</b>
<b>Mean</b>	4.66671	4.34411
Observations	459	459
Mean Difference	0	
Z	-0.54545545	
P(Z<=z) one- tail	0.23246899	
z Critical one -tail	1.744853627	
P(Z<=z) two -tail	0.837250924	
z Critical two - tail	1.259963985	

## VII. CONCLUSION

The main aim of this study has been to examine the impact of training design and training & development on employees' performance in Insurance sector in Saudi Arabia. Training enhances skills, competency, ability and ultimately employees' performance and productivity in organizations. It followed that organizational success relied on the skills and abilities of their employees, and this means that organizational

success depends to an extent on considerable and continuous investment in training. It is very difficult for an employee to perform well at the job place without any pre-training. This study shows that the trained employees perform well as compared to untrained employees. The research has reached a number of conclusions.

The study was conducted with a set of hypotheses, which relate directly to the research questions. The fundamental hypothesis states that there is positive impact of training design and training & development on employees' performance. Training is a key element for improved performance; it can increase the level of individual and organizational competency. It helps to reconcile the gap between what should happen and what is happening between desired targets or standards and actual levels of employees' performance. Training need is any shortfall in employee performance, or potential performance, which can be remedied by appropriate training. There are many ways of overcoming deficiencies in employees' performance at work, and training design and training & development is one of them. In the organizations, there is a continual need for the process of staff development, and training fulfils an important part of this process. Many organizations are not fulfilling the demands of the employee with respect to training; so the interdependence of training and performance are poorly distressed. Employees who are committed in their jobs, profession and careers want to know more about their company and industry and to learning those skills that will improve their performance. The central principal of this is to explore the relationship between training and employee performance in different areas. This research based on six sets of hypotheses. The first hypothesis states that 'training design has an important impact on employee performance. The regression results showed that, the training design gives to employees a greater extent it will contribute in employees' performance. On the basis of respondent's answers of insurance sector the conclusion that training cannot be discarded from the industry; and the organization has to set up and implement an advanced training as it enhancing employee s' performance, as it built a skilled and motivated employees that directed to a superior performance. Training and development has positive impact on Employees' Performance. Discussion of all the results proves that the hypotheses: Training development has significant impact on the job involvement, delivery styles, organizational commitment, quality of services and employees' performance has significant impact on the organizational performance. These entire hypotheses have positive impacts on the organizational Performance. It means it increases the overall organizational performance. The idea behind the training design and training & development of the indicators and symptoms of inferred which is usually on the existence of the need to improve and develop the work and expertise. There is an influence of the training development on the employees' performance, quality services, and organizational commitment. It seems that there is a strong relationship between training design and training & development and employees' performance.

## **VIII. RECOMMENDATIONS**

Evaluation of the training program is of vital importance because it helps in ensuring the effectiveness of the training program. Training design and training & development must be give primary importance to every organization. Therefore, employees can fully achieve desired goals of the organization. Transparency should be maintain while selecting the employees' for training. Training programs should be linked with employees promotions so that these programs help increase employee motivation which ultimately results in high performance. Employees should be clearly communicate about the potential benefits of training and development programs so that they can participate fully. The majority of departments following the progress in the performance of their employees, either through direct observation or by measuring the change after a given time period. Training and Development have also advantages not only for employee but the ultimate benefit is for the organization itself. If the employees' performance is not good, it will affect the whole organization. It is very necessary for the organization to give training and development to all employees of organization very carefully. The design of the training should be according to the needs of the employees.

## **IX. FUTURE STUDY**

Although the study looked into the role and impact of training and development on employees' performance in insurance sector, nevertheless it can also be implemented in other sectors too. For future research, it is



recommend that same study can be conducted on other sectors of Saudi Arabia like Petrochemical, Pharmaceutical, Banking, Education, etc. and along with different departments of the organizations that which department needs more training and development can be included in the model to increase the scope of the investigation.

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