

EFFECT OF TRAINING ON ORGANIZATIONAL PERFORMANCE OF SMALL AND MEDIUM SCALE ENTERPRISES IN ANAMBRA STATE, NIGERIA

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Abstract

The study were designed to find out the effect of training on organizational performance of small and medium scale enterprises in Anambra state, Nigeria The sources of data were through primary sources. The variables were on the performance of manufacturing firms and training. Questionnaire and interview were used to collect data from staff of the selected firms. The population of this study were 1300 across the ten selected firms. Sample size of 249 was determined through Borg & Gall (1973) while the returned questionnaire is 233. Simple percentage table and ANOVA regression were in the Analysis of the collected data. The research adopted purposive sampling method. The study concluded that training has contributed significantly to the performance of manufacturing firms in Anambra State and the need to conduct training needs assessment to ensure that the right training is given.

Introduction

Training is imperative to improve the employees' output which will eventually influence the organization performance and efficiency (Singh and Mohanty, 2012). If training is to be well understood. Training is a type of action which is designed, orderly and it results improved level of skill, knowledge and competency that are necessary to perform work effectively Gordon (1992). According to Boyatzis (2008), ability is an individual's ability or capacity. However, Rossilah (2008) stated that aptitude or efficiency was referred to as a set of characteristics of knowledge, skills, attitudes, intellect and view of one's own interests to carry out their duties efficiently and effectively. Education is an extremely important element in the organization of modern society. There is now growing awareness in both developed and developing countries of the role of education. Tacit knowledge is personal, inner, context specific, and therefore hard to communicate. It basically lies inside the mind of a person. Explicit knowledge is the knowledge that can be expressed in symbols, words and numbers. "The most dominant concepts of organizational knowledge within the current literature are the notions of 'tacit' and 'explicit' knowledge (Nonaka, & Takeuchi, 2015). Skills acquisition can also be in areas of making detergents, door controls used in toilets for mopping the floor and bathrooms, production of Izal, Rob, Soda soaps, basket caps, school bags and a whole lot of skills. Buwai. (2004) emphasized that the eradication or reduction of poverty is one of the central of poverty is one of the central objectives of contemporary development policy. Olatunji, Odeleye & Olunkwa (2014). The study examined the impact of human capital investment on economic development of Nigeria. The finding indicated that there was a negative short run relationship between economic development and human capital investment in Nigeria. Ditimi and Nwosa (2011). It was discovered that there existed negative impact between human capital development and economic. Oluwatoyin (2015) this study looked at Human Capital Investment

and Economic Growth in Nigeria. The study found that a negative relationship existed between government expenditure on health and economic growth. It can be clearly seen that there are divergent views and findings.

Enyioko & Ikoro (2017) examined Effect of Employees Training on Organizational Performance Study of Seven Up Bottling Company, Enugu State, Nigeria. Findings from the study reveal that the extent to which unsystematic approach of employee training affected organizational productivity was high. This was statistically supported by the one-sample test at 0.05 ($Z_c = 8.246 < Z_t = 0.000$). Edeh and Nwaji. (2017) examined the association between employee training and organizational performance of deposit money banks in Abia State, Nigeria. The study found that employee training has a positive significant relationship with organizational performance. Omosa, Onyango, and Onditi. (2018) establish the influence of employee training on organizational performance. The findings indicated that there is a positive and significant influence of employee training on organizational performance Ogbu & Osanaiye (2017) impact of employee training on organizational performance of selected insurance firms in Abuja. It was also discovered that on-the-job training has significant relationship with employee productivities while off-the-job training has significant relationship with employees' innovativeness in insurance industry.

Cross (2018) impact which training has employee performance bearing in mind that the aggregate of individual performance will culminate to organizational performance. The study showed that employee skill, knowledge and ability gained from training has significant effect on productivity. Further findings reveal that training has effect on employee commitment to the organization. Adekunle, (2017) examines the effect of staff training and development on organizational performance with reference to Nigeria Bottling Company. The study describes the concept of training and development, types of training and management development programs, factors that can help to improve employee productivity at work place, roles of staff training and development in an organization, why training fail in organizations, benefits of training and development, implication of training and development to management efficiency in Nigeria. The research adopted survey research design in gathering data with the use of the questionnaire. Therefore, population of this study is the entire staff of Nigerian Bottling Company Plc. The. A sample size of 120 was taken from the population, in which 116 (96.7%) questionnaires were retrieved for the study, using regression analyses, three hypotheses were tested. The research findings from research hypothesis one shows that staff training and development has a significant positive and strong relationship with Organizational Productivity. These can be as a result of short observation, method of analysis, model specification. We also witness the problem of geography. This was because few of the works were done outside the shores of Nigeria. Against this backdrop, the study improves the previous studies on the following ground. Firstly the study will use an updated literature on the impact of tanning on the performance of manufacturing firms in Anambra State. Secondly the research work will focus mainly on the Nigerian economy as against the external economies.

REVIEW OF RELATED LITERATURE

Theoretical Framework

Human Capital Theory

This work is anchored on the human capital theory of Gray, & Herr (1998). This theory shows how education leads to increase in productivity and efficiency of workers by increasing the level of their cognitive skills. Schultz, Becker and Mincer introduced the notion that people invest in education in order to increase their stock of human capabilities which can be found by combining innate abilities with investment in human beings (Babalola, 2000). Examples of

such investments include expenditure on education, on - the - job training, health and nutrition. However, the stock of human capital increases in a period only when gross investment exceeds depreciation with the passage of time with intense use or lack of use.

The provision of education is seen as a productive investment in human capital, an investment which the proponents of human capital theory consider to be equally or even more equally worthwhile than that in physical capital. Human capital theorists have established that basic literacy enhances the productivity of workers low skill occupations. They further state instruction that demands logical and analytical reasoning that provides technical and specialized knowledge increases the marginal productivity of workers in high skill or profession and positions. Moreover, the greater the provision of schooling society and consequently the greater the increase in national productive and economic growth. This theory relates to this study because Human Capital Development Theory concludes that investment in human capital will lead to greater economic outputs

Empirical Studies

Enyioko & Ikoro (2017) examined Effect of Employees Training on Organizational Performance Study of Seven Up Bottling Company, Enugu State, Nigeria.. In pursuit of the objectives, a survey research was carried out in Enugu State, Nigeria. The population used for the study was 110 staff of 7UP Bottling Company. Sample size was determined using taro Yamane (1964) formula. The study made use of data from primary and secondary sources which were collected using questionnaire administered to the 110 staff of the selected Organization. Personnel records and annual reports of the selected Organizations were used for secondary data. The data analyses was carried out using the Statistical Package for the Social Sciences (SPSS version 22), while the person product moment correlation coefficient and the one-sample test were used to test the hypotheses formulated in the study. Findings from the study reveal that the extent to which unsystematic approach of employee training affected organizational productivity was high. This was statistically supported by the one-sample test at 0.05 ($Z_c = 8.246 < Z_t = 0.000$).

Edeh and Nwaji. (2017) examined the association between employee training and organizational performance of deposit money banks in Abia State, Nigeria. A cross-sectional research survey was employed. Target population comprises all deposit money banks in Abia State, Nigeria. Forty top level managers were surveyed. Simple random sampling technique was employed. A sample size of thirty six (36) was ascertained using Krejcie and Morgan (1970). Both secondary primary sources of data were used. Spearman's Rank Order Correlation Coefficient (ρ) serves as statistical tool with the aid of statistical package for social sciences (SPSS, 20.0). The study found that employee training has a positive significant relationship with organizational performance.

Omosa, Onyango, and Onditi. (2018) establish the influence of employee training on organizational performance. The study employed a descriptive research design. The target population was 5111 employees who work in the county government: A sample size of 357 employees used. The sample size got through use of Krejcie & Morgan (1970) table for cases of finite population sizes. The main data collection instrument used was questionnaire. Data analysis done using descriptive and inferential statistics and results presented using tables and figures. The findings indicated that there is a positive and significant influence of employee training on organizational performance.

Ogbu & Osanaiye (2017) impact of employee training on organizational performance of selected insurance firms in Abuja. Questionnaire was administered to population sample of one hundred and twenty (120) employees. Hypothesis formulated for the study were analyzed using t-test statistical technique to determine the relationship that exist between employee training and organizational performance. The study observed that induction and orientation have significant impact on employee job effectiveness. It was also discovered that on-the-job training has significant relationship with employee productivities while off-the-job training has significant relationship with employees' innovativeness in insurance industry.

Cross (2018) impact which training has employee performance bearing in mind that the aggregate of individual performance will culminate to organizational performance. The study considered the microfinance bank sub-sector from which three banks were selected. Data was collected from 304 respondents who were drawn using Taro Yamane sample size determination technique through structured questionnaire. The data collected was subjected to both descriptive and inferential techniques were used to test formulated hypotheses. The study showed that employee skill, knowledge and ability gained from training has significant effect on productivity. Further findings reveal that training has effect on employee commitment to the organization.

Adekunle, (2017) examines the effect of staff training and development on organizational performance with reference to Nigeria Bottling Company. The study describes the concept of training and development, types of training and management development programs, factors that can help to improve employee productivity at work place, roles of staff training and development in an organization, why training fail in organizations, benefits of training and development, implication of training and development to management efficiency in Nigeria. The research adopted survey research design in gathering data with the use of the questionnaire. Therefore, population of this study is the entire staff of Nigerian Bottling Company Plc. The. A sample size of 120 was taken from the population, in which 116 (96.7%) questionnaires were retrieved for the study, using regression analyses, three hypotheses were tested. The research findings from research hypothesis one shows that staff training and development has a significant positive and strong relationship with Organizational Productivity, ($r = .843$; $P < 0.05$).

Khan Khan, & Khan, (2011) affect of Training and Development, On the Job Training, Training Design and Delivery style on Organizational performance. The back bone of this study is the secondary data comprised of comprehensive literature review. Four Hypotheses are developed to see the Impact of all the independent variables on the overall Organizational Performance. The Hypotheses show that all these have significant affect on Organizational Performance. These Hypotheses came from the literature review and we have also proved them with the help of literature review. Results show that Training and Development, On the Job Training, Training Design and Delivery style have significant affect on Organizational Performance and all these have positively affect the Organizational Performance. It means it increases the overall organizational performance.

Md. Mobarak, Choudhury, & Latif, (2019) impact of training and development on employee performance. The study found out that employees are aware about training; employees are motivated through training; and training and development results into higher performance. The study suggested that training and development of all staff should be dynamically followed and made obligatory and give compulsory training programs for all employees in order to improve performance. The study decided that there is need for continuous training and development taking into deliberation the opposition, market dynamics, customer satisfaction, and net promoter score among others.

Muhammad & Aiman (2015). Impact of training & development on employees' performance in banks of Pakistan. Data collection was done taking sample size of 150 employees while receiving 104 valid responses using convenience & referral sampling. Analysis was done through the application of frequency tests & bar charts on the response rates in SPSS. This gives the study a quantitative and empirical direction for results. So, then we checked the influence of T & D on the skills and attitudes mentioned above for associating these to employee performance level in banks of Pakistan as presented in the conceptual model. Major findings were that most of the employees agreed to the item statements by making it clear that T & D had a positive impact on their Job knowledge, work quality & quantity, functional skills, and their motivation & loyalty and these are all linked to their performance either strongly or moderately but in a supporting direction. Hence, the study concluded up with T & D positively impacting the employees' performance in the banks of Pakistan.

Halidu (2015) Impact of Training and Development on workers' productivity via the TET Fund Academic Staff Training and Development 2010 Sponsorship. Results revealed that training and development programmes improve employees' skills and performance at work place, enhance their technical knowhow/wherewithal to with stand the challenges of contemporary times, thus, an effective tool for sustaining and enhancing workers' productivity in the academia.

Habib, Hossain, & Essien, (2016). Evaluates the effect of training on employees' performance in Nigeria hotel industry (Sheraton Hotel and Resorts, Lagos) as a case study. A major concern amongst organizations in Nigeria, especially the hospitality industry is that consistent evaluation of training is rarely seen as a serious step to appraise employees' performance, and thus, come as an afterthought. The research assessed the performance of employees' at Sheraton hotel and resorts, Lagos, based on its objective and to enhance organizational effectiveness by virtue of training in Nigeria hotel industry. This research evaluates the effect of training on employees' performance of the case mandate. It is established that a significant relationship exists between the level of training and incentives to motivate employees' in enhancing their performance in Sheraton hotel and resort, Lagos.

Methodology

Area of Study

The area of this study is Anambra state. The capital and seat of Anambra is Awka, while the commercial hub of the State is Onitsha and industrial city of the state is Nnewi. Anambra State consists of 21 local government areas, with three senatorial districts such as Anambra North, Anambra South and Anambra central.

Population of the Study

Population is the totality of any group, persons or object which is defined by unique attributes. In order words, population is any groups that have even been focused upon the researcher. To have an extensive coverage of this study, the population of this research is all the small and medium scale enterprises in Anambra state which is one thousand three hundred and ninety-three (1393). As a matter of convenience the researcher sample 10 firms with 130 respondents respectively which give us a total of 1300 respondents as our population.

Sample Size and Sampling Technique

Given the nature of this study, it was difficult to cover the entire population of (4871), so a fair representative sample of the population therefore was imperative. Accordingly, the sample size for the study was determined by using the Borg & Gall (1973) formula for calculating sample size as follows

$$\begin{aligned}
 n &= (1.960)^2 (0.05) [1300] \\
 n &= (1.960)^2 (0.05) [1300] \\
 n &= (3.8461) (65) \\
 &= 249.99 \implies 249 \\
 n &= 249
 \end{aligned}$$

Method of Data Analysis

Research hypotheses were tested using ANOVA analysis and simple regression analysis. The research hypotheses were tested at 0.05 level of significance. Analysis was carried out with the aid of Statistical Package for Social Sciences (SPSS).

Data Presentation And Analysis

In this section, the data generated from the students of the sampled universities were presented, analyzed and interpreted. Two hundred and forty-nine (249) questionnaire were administered, However, two hundred and thirty-two (232) questionnaire were retrieved 93.2% was the percentage rate of returned questionnaire. Therefore the analysis and interpretation of data were based on the returned questionnaires. The method used was the percentage tables. And ANOVA regression was used for the hypothesis testing. The section below analyzed the data relevant to research questions

Analysis of Thematic Data

Data relevant in answering the research questions and testing the hypotheses are presented in tables 4.1.1 to 4.1.5 below.

Table 4.1.1: Respondents’ Opinion on training increases and reducing industrial accidents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid SA	115	45.8	49.4	49.4
A	100	39.8	42.9	92.3
SD	6	2.4	2.6	94.8
D	12	4.8	5.2	100.0
Total	233	92.8	100.0	

Source: Field Survey, 2019/SPSS

The table above indicates that one hundred and fifteen (115) respondents which representing 49.4% strongly agreed that training increases the employee’s output by reducing industrial accidents, while 42.3% of the respondents which represents one hundred (100) agreed to that. six respondents which represent 2.6% strongly disagree. Whereas twelve (12) respondents which represent 5.2% where of the view that disagree to that.

Table 4.1.2: Respondents’ View on wealth of experience and quality service to customers

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid SA	97	38.6	41.6	41.6
A	86	34.3	36.9	78.5
SD	27	10.8	11.6	90.1
D	23	9.2	9.9	100.0
Total	233	92.8	100.0	

Source: Field Survey, 2019/SPSS

The table above indicates that ninety-seven (97) respondents which representing 41.6% agrees strongly that their wealth of experience provides quality service to customers, while 36.9% of the respondents which represents eighty-six (86) agreed to that. Furthermore twenty-seven (27) respondents which represent 11.6% strongly disagree, whereas twenty three respondent which represented 9.9% disagree that wealth of experience provides quality service to customers

Table 4.1.3: Respondents' View on Customer patronage increases and my experience

	Frequency	Percent	Valid Percent	Cumulative Percent
SA	76	30.3	32.6	32.6
A	122	48.6	52.4	85.0
Valid SD	19	7.6	8.2	93.1
D	16	6.4	6.9	100.0
Total	233	92.8	100.0	

Source: Field Survey, 2019/SPSS

The table above indicates that seventy-six (76) respondents which representing 32% agrees strongly that Customer patronage increases when the employee attend to them through his experience, while 52.4% of the respondents which represents one hundred and twenty-two (122) agreed. 8.2% of the respondents which represents nineteen (19) strongly disagree. Lastly, sixteen (16) respondents which represent 6.9% disagreed to that effect.

Table 4.1.4: Respondents' View on work experience and effective service delivery to customers

	Frequency	Percent	Valid Percent	Cumulative Percent
SA	93	37.1	39.9	39.9
A	84	33.5	36.1	76.0
Valid SD	34	13.5	14.6	90.6
D	22	8.8	9.4	100.0
Total	233	92.8	100.0	

Source: Field Survey, 2019/SPSS

The table above indicates that ninety-three (93) respondents which representing 39.0% agrees strongly that their work experience encourages effective service delivery to customers, while 36.1% of the respondents which represents eighty-four (75) also agree to that. Furthermore thirty-four (34) respondents which are 14.6% strongly disagree, Lastly, 9.4% of the respondents which represent twenty-two (22) disagreed.

Hypothesis Testing

To further justify the results, ANOVA test was conducted to determine the effect of Training on Organizational Performance of small and medium scale enterprises in Anambra state, Nigeria

The results were shown in the ANOVA Table below;

HO₁: Training has no significant positive effect on Organizational Performance of small and medium scale enterprises in Anambra state, Nigeria

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	293.995	3	73.489	241.453	.001
Within Groups	31.428	230	.163		
Total	325.423	233			

Source: SPSS Version 20, 2020

The test table reveal that small significance value (F. sig<.05) indicate group differences. Since the F- value of 241.453 which has a significance of .001 is less than .05 (i.e .001<.05), we reject the null hypothesis and accept alternative hypothesis. Therefore, Training has no significant positive effect on Organizational Performance of small and medium scale enterprises in Anambra state, Nigeria

Discussion of Findings

Training and Organizational Performance: The information thus far reveals a seeming consensus in the belief that there is a positive relationship between training and employee performance. Thus training impacts positively on employee’s performance by generating benefits to both the employees and the organization they work for through the development of skills, knowledge, abilities, competencies and behavior. Training plays a significant role in the development of organizations, enhancing performance as well as increasing productivity, and ultimately putting companies in the best position to face competition and stay at the top.

Conclusion and Recommendation

The study attempted to use ANOVA regression to study the effect of Training on Organizational Performance of small and medium scale enterprises in Anambra state. The result of the study shows that training, have a positive impact on productivity and such impact is strong and statistically significant. Their coefficients are statistically different from zero at less than 5 percent level of significance. It is obvious to all personnel and industrial relations practitioners that trainings and staff development is a sine quo non-for stimulating productivity. A trained worker is more efficient, creative and productive than an untrained worker. It should be noted from the result that there is a significant sub sector specific effects of various types of capital expenditure in productivity growth of the sector. There is need to improve upon the level of investment so as to produce positive efficiency effect for productivity growth in the small and medium scale enterprises. The study concluded that training has a significant effect on performance of small n medium scale enterprises in Anambra state. There is need to conduct training needs assessment to ensure that the right training is given. This will enhance the competitiveness of the staff as they will be equipped with necessary competencies and current trends within the industry. Acquisition of quality education should be made paramount through innovative and creative ability of employees. Education tend to ignite the reasoning and imaginative ability of people, this will increase productivity and increase performance in any organization.

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