



# THE EFFECT OF EMPLOYEE TRAINING ON ORGANIZATIONAL PERFORMANCE IN THE BUILDING AND CONSTRUCTION SECTOR IN KENYA: A CASE STUDY OF TILE AND CARPET CENTRE

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## 1. INTRODUCTION

It is apparently important than ever for such organizations such as Tile and Carpet Centre to come up with multi-faceted strategies of human capital management that seeks to strengthen employee engagement and create a commitment that goes further than the contractual employer/employee relation to enhance organization performance. A holistic human capital approach requires organizations to view talent acquisition, development, and retention and employee engagement in a radically new way as a single entity rather than distinct parts. Organizations have to evaluate the value that is generated by the employees to be able to find out how successfully they use their knowledge and skills. Huselid, Becker, and Beatty (2014) showed that many Human Resource Managers have not attempted to understand the usefulness or how Human Capital Management can be used in their organizations successfully.

Employee training is one of the vital tools that help to enhance effective organizational performance and at the same time helps to promote the stability index of the organization. It is very important for the organization to exert extra efforts and invest much in employee training if it wants to achieve its objectives in the most economical way. Effective training programs help in building a supportive and conducive learning environment to the workforce and at the same time help them to deal effectively with foreseeable challenges easily and in time (Gunter, 2011). Konings and Vanormelingen (2015) proposed that training is a fundamental and effectual

instrument in the successful accomplishment of the firm's goals and objectives, resulting in higher productivity.

### **1.1 Problem statement**

A survey conducted in T&C for the need assessment in 2017, organizational performance challenges were revealed that were lack of qualified staff and low sense of responsibility among T&C staff are key performance issues. Therefore, there was an urgent need for cultural adjustment with regard to staff development in order to enable them perform to expected standards. In addition, there was need for adjustments within the organization on matters such as synergy among staff/employee, usage of working time, self-confidence, responsibility and own initiative. This is expected to greatly reduce and eventually eliminate negative work attitudes and practices that lead to poor organizational performance. This perspective is detrimental to T&C and is evident as the organization is unable to compete in the larger East African market due to challenges such as technical and institutional incapability. Therefore there is a need to understand the effect of employee training on organizational performance at T&C. The study will help T&C to develop a more strategic and modern approach to the management of people and their attributes that translate to the sustainable improvement of the organization's overall performance and counter the performance challenges.

### **1.2 Specific objective**

- i. To identify and rank various employee training factors that affect organisation performance of T&C
- ii. To establish the effect of employee training on organizational performance of T&C.

### **1.3 Conceptual Framework**

Conceptual framework is a diagrammatic representation that shows the indicators that are used to measure given variables as used in the study. In this study, the dependent variable is organization performance while the independent variable is employee training.

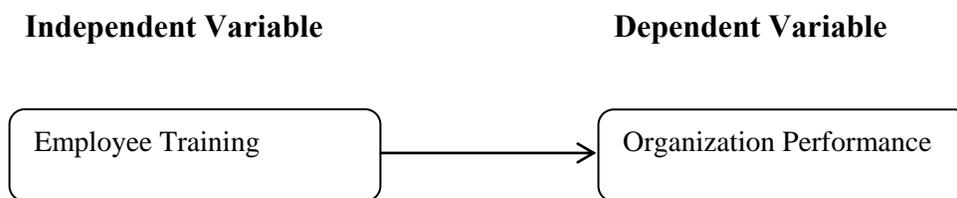


Figure 1 Conceptual Framework

## 2. LITERATURE REVIEW

### 2.1 Theoretical Review

#### 2.1.1 Human Resource Management Theory

The theory of human resource management theory was developed by Raymond Miles in 1965. It directs that labor force has untapped resources. Miles argued that every employee come into a firm with several different resources that can be tapped by the management to increase overall production. This includes physical energy and skills self-direction, capabilities and creativity to enable the organization to maximize employee performance. The main purpose of the manager is to focus on controlling and directing employees and make major decision based on the human resource skills and capabilities in the organization. Communication was trading to be crucial and bi-direction between the employee and the employer. It also should provide inclusiveness in decision making and encourage participation. It explained further that most firms have untapped human resource and encouraged participation in order to achieve organizational performance and productivity (Miles & Ritchie, 1971).

Furthermore, the theory is based on the assumption that education in fact guarantees employee retention while taking into account the transfer of learning in organizations. This leads to a questions of “Does the duration of education and training really be assurance of retaining the employee in the organization?” Certainly this notion is ideal, but questionable in certain situations in organizations. A highly skilled employee could as well look for a much more paying job. This theory is relevant to the study as the organization needs to appreciate the fact that the employees within their disposal untapped resources who require training and development to work at optimum levels and to meet the organizational requirements. Therefore, organizations need to invest heavily on employee training and development using a variety of strategies in

order to tap out the resources contained in them and thus improve the performance of the organization.

## **2.2 Empirical Review**

### **2.2.1 Employee Training and Organizational Performance**

Training is a process that provides employees with skills, information and understanding of the organization and its goals (Shaw, 2011). Employee training refers to programs that provide workers with information, new skills, or professional development opportunities (Olalere & Adesoji, 2013). Employee training is one of the vital tools that help to enhance effective organizational performance and at the same time helps to promote the stability index of the organization. It is very important for the organization to exert extra efforts and invest much in employee training if it wants to achieve its objectives in the most economical way. When employees are recruited into the organization, they may not come with all the required skill set to discharge fully their roles in the organization. Training addresses gaps or discrepancies between an ideal and an optimal stage of development. However, from a comparison between desired and actual work methods or between desired and actual results, needs arise on the job. Smit and de Cronje (2010) refer to three methods for identifying needs: the generic methods, performance analysis, and competency assessment.

Mansoor, Shah, and Tayyaba (2015) did a survey on impact of training and development on organization performance with mediating role of intention to quit as human resource quality cost. The salary-based employees of the organizations having 5 – 250 employees have been selected on the basis of stratified sampling technique for the data collection purposes. Out of 600 questionnaires distributed, 290 were returned and 278 were used for the study. The relationship of training and development and organization performance was found to be positively mediated by the intention of employees to quit the organizations. The positive relationship might exist due to the number of other factors like inflation, less job opportunities existing in the Pakistani context.

Karimi and Nejad (2018) conducted a study on effect of organizational training on job satisfaction and individual performance of Ahwaz Oil Company Employees. The statistical

population of this study consisted of all employees of Ahwaz Oil Company, which according to the data of the sample at the time of the research, their number was 800. Based on the Krejcie and Morgan tables, for a community with this volume, at least 260 statistical samples were needed. To select this sample size from the statistical population, stratified random sampling method with proportional volume was used and the samples were selected accordingly. It should be noted that the data collection tool in this study was a standard questionnaire consisting of 61 items in which responses were based on the five-point Likert scale. Inferential tests such as normal test and path analysis were performed on the research data. The results of the research showed that in the society under study, the quality of organizational education and job satisfaction have a positive and significant effect on employees' performance.

Ogohi (2018) conducted a survey on effects of training on organizational performance in Nigeria. The research attempts to find out the 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.

Janes (2018) conducted a study impact of employee training on organizational performance, a case study of drilling companies in Geita, Shinyanga and Mara Regions in Tanzania. The study comprised a sample size of 219 respondents selected using purposive and simple random sampling techniques. Data collection was done through the questionnaire administered to the respondents. Data was analyzed using descriptive statistics and results presented using tables. The study results found that employee training has a significant effect on the performance of drilling companies. However, the study results found that there is lack effective training and development policies in drilling companies.

Quadros and Misango (2017) did a survey on effects of training on organizational performance with special focus to AGGREKO international Nairobi, Kenya. The researcher used a case study design to carry out the study; so as to get sufficient information from the respondents. The instrument of research was the questionnaire that was constructed to capture the objectives of study such as the use of training tools and the relevance of the tools to organizational performance. A sample size of 80 employees was used for the study. Data analysis was done quantitatively by use of statistical methods and presented in the form of pie charts, bar charts and graphs, percentages and frequency tables. The findings indicated that 100% of staff agreed that they had benefited from Orange Excellence (OE) training tools and 93.8% managers noticed marked improvement since the initiation of training by use of OE training tools. The study concluded that training in organizations enabled the employees to be equipped to compete effectively in business by offering quality services in minimum time.

### **3. RESEARCH METHODOLOGY**

#### **3.1 Research Design**

There are many definitions of research design. According to Cooper and Schindler (2006), research design is the outline for the collection, measurement, and analysis of data. This study applied descriptive studies design because its purpose was to explain the impact of employee training on organization performance in T&C. The descriptive approach enabled the gathering of information regarding the qualities that the respondents have including occupation, age, gender and education.

#### **3.2 Target Population**

Population is a whole institution of individuals, objects or occasions with comparable observable characteristics (Mugenda & Mugenda, 2003). The target population of the study was derived from the employees of T&C as shown in Table 3.1. The research used a target population of 750 employees working at the three locations namely: T&C head office at Parkside Towers and ICD Warehouse in Nairobi county and Toptank Production Plant in Machakos county.

**Table 3. 1 Target Population**

<b>Category</b>	<b>Target Population</b>	<b>Percentage</b>
Top Management	18	2.4
Middle Management	281	37.5
Support Staff	451	60.1
<b>Total</b>	<b>750</b>	<b>100</b>

### 3.3 Sampling Method and Sample Size

Sampling is a fundamental component of data collection or part of a population chosen for a study (Sekeran, 2003). The study employed stratified random sampling technique in coming up with a sample size of 100 respondents from a total of specific departments in three T&C plants, this represents 13.3% of the total population as seen in Table 3.2

**Table 3. 2 Sample Size**

<b>Category</b>	<b>Target Population</b>	<b>Sample of the Data</b>	<b>Percentage</b>
Top Management	18	18	18
Middle Management	281	40	40
Support Staff	451	42	42
<b>Total</b>	<b>750</b>	<b>100</b>	<b>100</b>

### 3.4 Research Instruments

Primary data was used in this study which was collected from the selected sample respondents using a questionnaire.

### 3.5. Pilot Study

According to Cooper and Schindler (2006), a pilot test is conducted to detect weaknesses in design and instrumentation and to provide proxy data for selection of a probability sample. This pilot study enabled the researcher to determine the reliability and validity of the instrument. The study conducted a pilot study using 10% of the sample population. The subjects included in the pilot study were not included in the final study.

#### 3.5.1 Validity and Reliability of the Research Instrument

Validity is the quality of instruments used in gathering data that makes it possible to measure what it intends to measure. Drawing meaningful and beneficial inferences from scores on the instrument is what validity is ready as said through Creswell (2008). The study supervisor

reviewed the instrument to ensure content validity. Logical judgment as to whether the instruments covered what they were supposed to cover was gotten from content validity. Reliability is explained as the measure of the extent to which a research instrument gives consistent output or data after repeated tests. The study adopted Cronbach Alpha to test reliability of the studies units. The values ranged from zero to 1 wherein values among 0.7 to 1 indicate significant and suitable reliability whereas values underneath 0.7 have been unacceptable and much less reliable.

### 3.6. Data Analysis and Presentation

The quantitative data collected was coded using Statistical Packages for Social Scientists tool (SPSS Version 23) and analyzed through the use descriptive and inferential statistics.

## 4. DATA ANALYSIS AND RESULTS

### 4.1 Response Rate

A total of 100 questionnaires were distributed to the target respondents (top management, middle management and support staff), from which 91 respondents gave their responses in all the questions asked. The questionnaire response rate was 91% (see table 4.1) which is satisfactory and substantial going by Mugenda (2003) affirmations that a response rate that exceeds more than half is both acceptable and significant.

Table 4.1 Response Rate of Respondents

Response	Frequency	Percentage
Returned	91	91%
Unreturned	9	9%
<b>Total</b>	<b>100</b>	<b>100%</b>

### 4.2 Demographic Profile

The respondents were requested to provide the study with demographic information as seen in table 4.2 on demographic profile. The table shows that, it is evident that more than half of the respondents at 58.2% were male and 41.8% being female. This implies that T&C staffing was male dominated, however, the female pool was not far behind. This is an encouraging implication particularly considering the fact that traditionally most organizations were male

dominated. On age distribution of the respondents, it is evident that majority of the respondents at 37.3% had their ages ranging from 36-45 years, then 29.7% ranging from 26-35 years, then 15.4% ranging from 18-25 years, then 12.1% ranging from 46-55 years and 5.5% above 55 years. This is a clear indication that majority of the respondents were clearly exposed and had experienced issues of the relationship between human capital management and organizational performance at T&C.

**Table 4.2 Demographic Profile**

Demographic profile		Frequency	%
Gender	Male	53	58.2%
	Female	38	41.8%
Age (years)	18-25	14	15.4%
	26-35	27	29.7%
	36-45	34	37.3
	46-55	11	12.1
	Over 55	5	5.5%
Work Experience	1-5	9	9.9%
	6-10	26	28.6%
	11-15	35	38.4%
	Over 16	21	23.1%
Education Level	High School	12	13.2%
	Tertiary/Diploma	45	49.4%
	Undergraduate	31	34.1%
	Postgraduate	3	3.3%
<b>Total</b>		<b>91</b>	<b>100%</b>

On work experience, it is evident that majority of the respondents at 38.4% had worked for T&C for 11-15 years, then 28.6% had worked for 6-10 years, then 23.1% had worked for over 16 years and 9.9% for 1-5 years. This is a clear indication that majority of the respondents were significantly experienced and worked for many years at T&C. It is also evident that majority of the respondents at 49.4% were Tertiary / Diploma holders, then 34.1% were undergraduate degree holders, then 13.2% had high school certificates and 3.3% had post graduate certificates of various courses. This is a clear indication that majority of the respondents had made considerable effort to further their education levels having worked for many years at T&C.

### 4.3 Descriptive Statistics

#### 4.3.1 Ranking of various Employee Training factors that affect organisation performance

The objective required the establishment of employee training on organizational performance at T&C. Respondents were requested to rate employee training on a scale of 1 to 5 where 5 represented ‘Strongly Agree’ and 1 ‘Strongly Disagree’. The summary of the results was enumerated as seen in Table 4.3

**Table 4.3 Ranking of various employee training factors that affect organisation performance**

	Low	High	Mean	Std. Deviation
On the job training enhances employee ability to discharge their duties hence better organizational performance in relation to human resource utilization to attain objectives.	3	5	4.51	0.689
Job orientation is conducted in our organization to boost the morale of the employee to deliver without committing grievous errors.	2	5	4.47	0.656
In our organization, job orientation is carried out for new entrants on the job to make them familiar with the organization as a whole in terms of structure, objectives, policy which enhances organization performance.	2	5	4.43	0.669
In our organization, the trainer or the experienced worker teaches and advices the trainee on specific methods and techniques of doing the job to enhance organization productivity.	1	5	4.36	0.823
On the job training enhances effectiveness of employees in discharging their duties; they will also be loyal to the organization and will tend to work longer for the organization.	2	5	4.32	0.744
Off the job training makes employees more aware of new ideas, technologies and improve their innovativeness which in return enhances organization performance.	1	5	4.13	0.968
On the job training such as job rotations and transfers, coaching and mentoring are conducted in our organization.	1	5	3.96	1.134
Valid N (list wise) = 91				
Aggregate Score			4.31	0.812

The overall aggregate mean score for the objective is 4.31 and the standard deviation is 0.812. This on average affirmed that the respondents acknowledged that the training offered was relevant to developing employee skills on the job, and this was ultimately aimed at improving organizational performance. This supported the statement suggesting that ‘on the job training

enhances employee ability to discharge their duties hence better organizational performance in relation to human resource utilization to attain objectives’ with the highest mean score of 4.51 and a standard deviation of 0.689. The statement of ‘on the job training such as job rotations and transfers, coaching and mentoring are conducted in our organization’ with the lowest mean score of 3.96 and a standard deviation of 1.134. This implied that most of the respondents at T&C did not experience any job rotations, transfers, coaching and mentoring. The findings are in agreement with the assertion by Konings and Vanormelingen (2015) that training is a fundamental and effectual instrument in the successful accomplishment of the firm's goals and objectives, resulting in higher productivity.

### 4.3.2 Ranking of Organizational Performance factors

The dependent variable was organizational performance at T&C. Respondents were requested to rate organizational performance on a scale of 1 to 5 where 5 represented ‘Strongly Agree’ and 1 ‘Strongly Disagree’. The summary of the results was enumerated as seen in Table 4.4

**Table 4.4 Organizational Performance**

	Low	High	Mean	Std. Deviation
In our organization, human capital management is key in driving long-term operation effectiveness.	1	5	4.33	.920
In our organization, how human capital utilization is done has affected effectiveness in our operations.	1	5	4.27	.932
Through human capital management, there has been great increase in sales in our organization.	1	5	3.97	1.178
There is increased profitability since the introduction of an independent HR department in our organization.	1	5	3.66	1.301
In our organization, human capital management has affected relevant skills that are required to enhance organization performance. Valid N (list wise) = 91	1	5	3.58	1.221
Aggregate Score			3.96	1.110

The overall aggregate mean score for the dependent variable is 3.96 and the standard deviation is 1.110. This on average affirmed that the respondents acknowledged that the performance of T&C was efficient, effective, relevant and financially profitable. The aggregate parameters for the variables are employee training with a mean score of 4.31 and a standard deviation of 0.812.

## 4.4 Inferential Statistics

### 4.4.1 Influence of Employee Training on Organizational Performance

The study sought to investigate the effect of employee training on organizational performance. Regression analysis (see table 4.5) was done with organizational performance as the dependent variable and employee training as the predictor factor. The regression analysis revealed a relationship  $R = 0.660$  which showed a strong positive correlation and revealed that employee training and organizational performance are fundamentally related, and  $R^2 = 0.435$  which meant that 43.5% of variation in organizational performance can be explained by a unit change in employee training. The results were enumerated as seen in Table 4.5.

**Table 4.5 Model Fitness for Employee Training**

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.660 <sup>a</sup>	.435	.429		.65360
Predictors: (Constant), Employee Training					

The values of  $F = 68.656$  show that employee training statistically and significantly affects organizational performance which means the regression model is a good fit of the data and that employee training significantly influences the performance of T&C. The level of significance is 0.000 which is less than 0.05 hence the regression model significantly predicts the dependent variable. The results were enumerated as seen in Table 4.6

**Table 4.6 ANOVA<sup>a</sup> Results for Employee Training**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	29.330	1	29.330	68.656	.000 <sup>b</sup>
	Residual	38.021	89	.427		
	Total	67.350	90			
a. Dependent Variable: Organization Performance						
b. Predictors: (Constant), Employee Training						

The study outcome indicated that addition of employee training to T&C has a significant positive impact on organizational performance. The results indicate that there is significant relationship between employee training and organizational performance;  $p < 0.05$  ( $P = 0.01$ ). Thus, the values of employee training are statistically significant ( $t = 8.286$ ,  $p < .05$ ) which means an increase in

mean index of employee training will increase organizational performance by a positive unit mean index value of 83 percent. The regression model explaining the results enumerated in Table 4.7 is given by: Organizational Performance = 0.802 + 0.830 (Employee Training). The model shows that employee training positively affects organizational performance at T&C.

**Table 4.7 Regression Coefficients<sup>a</sup> for Employee Training**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			L.B	U.B
(Constant)	.802	.376		2.136	.035	.056	1.549
Employee Training	.830	.100	.660	8.286	.000	.631	1.029

a. Dependent Variable: Organization Performance

## 5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Summary of findings

The objective of this study was to determine the effect of employee training on organizational performance at T&C. The study findings revealed and established the overall aggregate mean score for the objective is 4.31 and the standard deviation is 0.812. This on average affirmed that the respondents acknowledged that the training offered was relevant to developing employee skills on the job, and this was ultimately aimed at improving organizational performance. The regression analysis revealed a relationship  $R = 0.660$  which showed a strong positive correlation and revealed that employee training and organizational performance are fundamentally related, and  $R^2 = 0.435$  which meant that 43.5% of variation in organizational performance can be explained by a unit change in employee training. The results indicate that there is significant relationship between employee training and organizational performance;  $p < 0.05$  ( $P = 0.01$ ). Thus, the values of employee training are statistically significant ( $t = 8.286$ ,  $p < .05$ ) which means an increase in mean index of employee training will increase organizational performance by a positive unit mean index value of 83 percent.

### 5.2 Conclusions

The study established a significant positive relationship with organizational performance. The study established and provided evidence that on the job training and job orientation enhances employee ability to discharge their duties and this had positive influence on organizational performance.

### 5.3 Recommendations

The study recommends that T&C should integrate training laterally in all departments to enable employees to be equipped to compete effectively in business by offering quality services within minimum time. This should be done through training sessions and seminars.

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