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Job satisfaction and organizational commitment under Traditional and Modern T&D program: Evidence from Public Banking Sector of Pakistan

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Abstract

This article investigates the impact of traditional and modern training programs on the overall performance and commitment to employees in public banking sector of Pakistan. Additionally, the study examines the relationship between antecedents of organizational commitment and job satisfaction. Bank of Khyber, First Women Bank, National Bank of Pakistan, Sindh Bank, and The Bank of Punjab are currently operating public banks in Pakistan. Thus, all five considered in this study using strata sampling technique. Total 26 Branch Managers participated in interviews whereas 292 completed survey questionnaire. Results showed modern T&D methods preferred by contractual employees whereas permanent employees prefer traditional methods of training and development. Moreover, T&D significantly affect the continuance commitment (CC) of female employees whereas salary increment enhances males' normative commitment (NC) and affective commitment (AC). Additionally, both modern and traditional T&D methods improve job satisfaction. AC and NC are relatively higher in public bank employees in comparison to CC, resulting from training and development program.

Keywords: Training and Development, job satisfaction, organizational commitment, public banking sector

1. Introduction

Performance enhancement and sustenance are the objectives of every organization, but it is highly dependent on the human capital (Zehra, 2016). Moreover, performance management is an effective tool for measuring organizational performance (ibid). On the other hand, Zehra (2016) argued training and development is a barometer for measuring the employee and organizational performance. Additionally, training and development methods are used in the banking sector for improving organizational efficiency and individual performances (Gleeson & Husbands, 2001). Furthermore, Zehra (2016) argued that T&D program facilitates organization in the attainment of business objectives and professional growth and development of employees. The implementation of the training and development programs within the organization leads the firm towards amplified profitability at the same time introducing positive and constructive behaviour that is vital for the attainment of profit (ibid).

The banking sector is one of the important sectors of Pakistan, especially in terms of its contribution to the gross domestic product (GDP) and economic development in the country. A Higher level of economic liberalization is taking place in Pakistan, and there is a significant decrease in the budget deficit (State Bank of Pakistan, 2014; Rana, 2014). Additionally, BMI research stated that Pakistan is one of the 10th fastest emerging market (Pfeiffer, 2016). Recent Pak-China corridor is another project hinting towards 5.4% economic, trade and banking activities growth in Pakistan in 2018 (Dawn, 2016). Since banking sector is vital thus, its workforce is also important to be taken into consideration. Moreover, studies have shown that satisfied employees are productive employees (Haque & Yamoah, 2014; Faizan & Haque, 2016; Faizan & Zehra, 2016; Zehra, 2016). Therefore, their satisfaction and commitment play a pivotal role (ibid). T&D is widely used tool for enhancing commitment, performance, and attainment of organizational objectives (ibid). Nevertheless, previous empirical studies have investigated it in a broader perspective by taking general aspect whereas this study undertakes

narrow dimension by exploring traditional methods versus modern methods in relation to organizational commitment and job satisfaction. Present work contributes to knowledge by providing a related aspect of traditional versus modern methods in relation to organizational commitment and job satisfaction. Previous studies used general stance while this has a specific and narrow stance. Moreover, previous studies were confined to single dimension whereas this study overcomes this limitation by exploring research variables in multi-dimensional mode.

2. Literature Review

"The fundamental dealing of Training and Development program is the attainment of the comprehensive knowledge in terms of how to implement and practice approach and technique" (Zehra, 2016). In actual, T&D program is an essential ingredient of human resource practices because it offers a role in the individual's personal and professional growth and development. Additionally, organization follows a procedure to enhance individual capabilities, knowledge, and skills by providing training and development leading to create organizational learning so that workforce becomes competitive (Gilley & Maycunich, 2000). Interestingly, organizational learning under strategic approach indicates training and development program for increasing employee capabilities. According to Armstrong (2006), training and development enable organization in ensuring organizational resources are used effectively and efficiently. As per Sims (2002), employees increase their job security and future placement through acquired knowledge transformed through training and development. Nevertheless, training and development help in the filling the gap deficiency in skills of newly hired employees (ibid). Furthermore, the core of the learning activities should be the skill enhancement and development projects as it contributes towards the career empowerment and establishment (Roehl & Swerdlow, 1999; Zehra, 2016). Interestingly, Zehra (2016) argued that organizational support and job satisfaction are interlinked positively with training and development program. Moreover, the constructive behaviour and future opportunities enhance for employees due to participation in T&D program. Conversely, intrinsic motivation affects

performance (Demirbag et al., 2006) positively, reduce employees' turnover (Hansen, 2001), job commitment (Foreman & Money, 1995) and enhance job satisfaction (Sahindis & Bouris, 2008) due to participation in T&D program.

Organizational commitment is a psychological bond between employee and employer reflecting the willingness of the employee to remain with same organization (Mowdey et al., 1982; Allen, 2003; Haque & Yamoah, 2014; Haque & Aston, 2016; Haque, Aston, kozlovski, 2016). As per Lambert & Hogan (2009), organizational commitment conveys employee behaviour and performance. Conversely, Randall (1990) argued individual efforts and engagement defines organizational performance. Roehl & Swerdlow (1999) committed employees are less likely to quit once provided adequate training sessions. Nevertheless, the range of studies showed that irrespective of training sessions, at times employees switch jobs for the sake of fun (Syrett, 1994, Barnett, 1995, Khatri et al. 2001). Affective commitment (AC), normative commitment (NC), and continuance commitment (CC) are dimensions of organizational commitment (Bartlett & Kang, 2004; Haque & Yamoah, 2014; Zehra et al., 2017). According to Allen & Meyer (1990), "Affective commitment is an emotional connection with employees towards an organization. The feeling of moral and obligation reflects normative commitment while a feeling of staying and continuation is continuance commitment" (P. 1). Interestingly, T&D programs have a positive relationship with job satisfaction and organizational commitment (Brief, 1998; Bartlett, 2001; McNeese-Smith, 2001; Lowry et al., 2002; Bartlett and Kang, 2004; Benson; 2006).

However, the aforementioned studies have not explored the traditional and modern methods as a separate entity for exploring the relationship between these research variables. Moreover, previous researchers do not investigate the job status and gender thus this study uses the previous limitation to advance the study further.

3. Research Methodology

This study falls into socio anthropological paradigm with critical realism ontology and

objective epistemological stance because although mixed methods are used but study intakes qualitative dimension for investigating research problem. This is a basic research carried out for enhancing knowledge while following interpretivist research philosophy in research commencement. Furthermore, inductive approach offers in-depth understanding regarding research phenomenon and theoretical framework thus we followed inductive approach as part of exploring phenomenon (Patton, 2015). Interviews as first step and survey questionnaire as secondary strategy provide flexibility in research strategy (Bonoma & Wong, 1983). Thus, we followed similar strategy by keeping open-ended unstructured questions for interviews with the branch managers while 5 point LIKERT scale survey questions for employees in public banks. Although, the selection of banks were made through strata sampling technique but participants were approached through convenience sampling, keeping the convenience of respondents as important aspect.

Total 60 branch managers were contacted through connections but only 26 agreed, reflecting 43% response rate. Interview time was 7-9 minutes and all were arranged in lunch break. Additionally, for survey over thousand participants were approached through Head offices of public banks but only 292 completed online questionnaires, reflecting less than 30% response rate. The research established an analytical framework. The similar coding method, which was used by Hylton et al., (1993). Thus, excel spreadsheet was utilized. The word processor was used by the researcher for the coding system, this was done in order to enlighten and codes insertion for the three depth interviews conducted, it is highly appropriate for the inductive method (Harvey, 1990). For survey questionnaire responses tally marking and frequency distribution was made, later converted into respective percentage. Validity, credibility, and reliability was maintained by using inter-reliability test and background check of the participants. Moreover, the respondents were ensured about their anonymity and shared data confidentiality.

4. Findings and Discussions

Majority of the branch managers confirmed that both traditional and modern methods of training and development has a positive relationship with overall employee performance (69%

against 31%), organizational commitment (63% against 37%), and job satisfaction (57% against 43%). Thus, this study supports previous empirical researches of Stone (2002), Zehra (2016), Faizan & Zehra (2016), and Haque et al., (2016). Interestingly, 50% female managers included in study agreed about positive relationship (71% against 29%). On the other hand remaining 50% male managers confirmed positive relationship (60% against 40%). This is a unique finding of present study. Additionally, 73% of the branch managers confirmed that modern methods of training and development are more productive in contrast to traditional methods in enhancing job satisfaction, organizational commitment, and overall performance. In addition to that, managers were asked about dimensions of the organizational commitment affecting from the T&D participation. Results showed that T&D participations improve AC (54%), NC (27%), and CC (19%). Interestingly, female managers exhibited continuance commitment (CC) while male managers largely demonstrated normative commitment (NC) and affective commitment (AC).

The survey findings showed that majority of the participants confirmed both professional and practical capabilities of employees improve due to T&D participation (57%). In this aspect, present study is aligned with work of Zehra (2016). Majority of respondents agreed that organizational learning tends to enhance among employees (49%) thus study supports Karl et al., (2010). Interestingly, large number of respondents disagreed that job security enhances due to T&D (61%). Hence, study opposes work of Sims (2002). Moreover, career empowerment, job satisfaction, and organizational support within the organization results from active and appropriate training and development (53%). Therefore, findings support work of Stone (2002) and Zehra (2016). The study found intrinsic motivation having positive relationship with job satisfaction (58%), job commitment (51%), and overall performance (47%). Thus, earlier arguments of Demirbag et al. (2006), Foreman & Money (1995), and Sahindis & Bouris (2008) while no relationship was established between T&D participation and reduced employee turnover therefore work of Hansen (2007) cannot be confirmed.

Findings also revealed that females have higher continuance commitment while male have higher normative and affective commitment hence study supports work of Haque et al., (2016)

and Haque & Yamoah (2014). Interestingly, the argument of Roehl & Swerdlow., (1999) is contradicted by this study as this study found training sessions does not reduce quitting intentions of employees (66% agreed). Moreover, switching job for fun could not be confirmed to larger extent. Interestingly, this study has a categorization of permanent and contractual employees. Detailed analysis revealed that majority of the permanent employees prefers traditional T&D methods (59%) while contractual employees prefer modern methods of T&D (68%). Interestingly, no significant difference is evident for specific type of T&D program in gender perspective. Moreover, findings also revealed that T&D increases female employees' continuance commitment significantly higher in contrast to their counterpart (73% against 45%). Thus, this study supports work of Haque & Yamoah (2014) and Haque & Aston (2016). In addition to that, male employees' affective and normative commitment enhances due to salary increment. Hence, this study supports work of Faizan & Zehra (2016) and Zehra (2016). Nevertheless, training and development program increases the overall performance and organizational commitment of employees (57% against 43%). However, T&D program is more effective in enhancing affective commitment (AC) and normative commitment (NC) in contrast to continuance commitment (CC). Lastly, this study confirms that T&D is significant tool for sustaining and development of human capital in the banking sector of Pakistan.

Nevertheless, this study is subject to limitation due to time constraint. Research is carried out in short time thus respondents only studied in one time lag. Moreover, research only focused on public sector therefore result cannot be generalized to private banking sector. Additionally, study focused on qualitative perspective therefore numeric expression is not included. However, positive relationship established but study lacks the numerical significance to quantify the strength of relationship. In other words, nature has been established but no conclusive evidence regarding the strength of relationship is evident in this study.

5. Conclusion

Training and development program is significant and invaluable tool used in the banking sector of Pakistan. Both traditional and modern training and development methods improve the job satisfaction, organizational commitment, and overall performance. Females' perceived

T&D program more significant in contrast to male employees in the public banking sector of Pakistan. Overall, there is positive relationship between T&D program and job satisfaction and T&D program and organizational commitment. In addition to that, to larger extent bank employees consider modern methods more constructive in contrast to traditional methods. Nevertheless, considering each separate attribute of the organizational commitment, present study found direct positive relationship between T&D and antecedents of organizational commitment but AC scored highest while CC is the lowest. Moreover, male employees commonly show AC and NC while females demonstrated CC. The T&D program improves the knowledge, skills, and abilities of the employees; especially it is more productive for newly recruited workers. However, T&D does not reduce employee turnover or job insecurity among workers, irrespective of their employment status and specific gender. In addition to that, T&D increases CC among females that further strengthen their job satisfaction while salary increment enhances male workers AC, CC, performance, and job satisfaction.

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