

Saimia University of Applied Sciences
Faculty of Business Administration, Lappeenranta
Degree Programme in International Business

Imran Raza

**Impact of Training and Development on
Employee Performance**
(Case: Salt'n Pepper)

Thesis 2015

Abstract

Imran Raza

Impact of training and development on employee performance,

43 pages, 1 appendix

Saimaa University of Applied Sciences

Faculty of Business Administration, Lappeenranta

Degree Programme in International Business

Bachelor's Thesis 2015

Instructor: Senior Lecturer Samuli Nikkanen, Saimaa University of Applied Sciences

The purpose of this study was to determine the impact of training and development programs on employee performance. The research work of this study has been divided into three parts. The first part gives a literature review of the work done by researchers in the past to elaborate the importance of training and development programs. Besides this, the scope of this study, methodology used in research and core research objectives have been stated under this section.

The second part emphasizes on different training models and structures designed and used around the world during training and development programs. Research questions have been discussed in more detail to develop an understanding of a general training process, from the requirements of training to its execution and results.

The last part is the empirical case study of the subject organization to collect the data and analyze it. The Correlation analysis and Percentage Distribution analysis has been employed in the statistical analysis of data obtained through a survey done in Salt'n Pepper Pvt. Ltd. Lahore.

The research reveals that training and development is unquestionably necessary especially for the unskilled and less experienced employees. Training methods and tools utilized by the company were very effective as these tools have a positive impact on the employee's job performance and also helped them to enhance and improve their skills and job efficiency. The company is also making further improvements in the training programs to increase the effectiveness of the training.

Keywords: Training and development, employee training, human resource development, data analyses, performance efficiency

Contents

1	Introduction	4
1.1	Background.....	4
1.2	Scope of the study	6
1.3	Research questions and purpose of this study	6
1.4	Limitation of the study.....	6
1.5	Research method.....	7
2	Literature review.....	7
2.1	Human Resource Management and HR Cycle.....	7
2.1.1	Recruitment	8
2.1.2	Retention	9
2.2	Training Process	10
2.3	Types of training	11
2.4	Methods of Training	11
3	Discussion on research questions	12
3.1	Models of training effectiveness.....	12
3.2	Factors affecting training.....	13
4	Case Study (Salt'n Pepper Restaurants)	14
4.1	Introduction	14
4.2	Research Questions	14
4.3	Hypothesis	15
5	Methodology.....	15
5.1	Research Design	16
5.2	Data Source and Data Collection.....	16
5.3	Questionnaire and its structure	17
6	Results	17
6.1	Sample Characteristics	17
6.2	Correlation Analysis	25
6.3	Percentage/Frequency Distribution Analysis	27
7	Conclusion and recommendations	36
	List of references.....	39
	Appendix	41

1 Introduction

Training is increasingly important for companies looking to develop themselves and compete with other companies. There has been a long debate among scholars and practitioners upon the effect of training in both employees and organizational goals. It is always a mutually beneficial process for both of them. One school holds that training leads to an increase in turnover, while the other believes that training is just a tool that can lead to higher levels of employee retention (Becker 1993). Regardless of these two arguments, most professionals agree that employee training is a complex HR practice that can significantly affect on the success of a company.

Trainings could be costly and can affect the overall finances of a company but the return for this cost is much more than they invest. At the same time employee turnover plays a part in budgeting a training program. If an employee resigns or terminates after the completion of training, a company will lose all its investment. The agenda, budget, and the results, all are key factors, which should be considered while designing a training program (Colarelli 1996).

The training industry has shown growth through the different eras. As soon as the companies realized its importance, their investments in the training industry as a whole have been increased. Around 10% of the company assets has been given in wages and salaries of the trainers and 5% spent on tuition reimbursement (Frazis (H. G.) 1995). In the current century it becomes more imperative for employers to understand the impact that training has on their organization. In return it is equally beneficial for the employees as it increase their understanding to the tasks and required skills for fulfilling it (Frazis (H. S.) 2005).

1.1 Background

Rapid changes in information technology have generated a high pace of knowledge spreading. The development in Human Resource methods and processes has been an ongoing process since 1900 AD. Since the immaterial knowledge has been doubled between the period of 1900 to 1950, and it is getting double now every 5 to 8 years, all of us need to keep our knowledge

updated to keep up with the changes. The same has been the case with evolution in Human Resource Management (Przulj 2002).

The first formal HRM department started functioning in 1920. By 2000 A.D during this 80-year period, there have been considerable changes in both the science and practice of HRM. The Human Resource Management (HRM) function, once responsible for record keeping and maintenance, has evolved into a strategic partner, sharing comparable boardroom status with disciplines such as accounting, marketing, and finance (Dulebohn 1995). Despite the fact that alternative perspectives regarding the limited contribution of HRM have been suggested, a positive relationship between the development of HRM as a strategic ally and company performance has been shown (Huselid 1995).

The emerging era of HRM from 1980's focused on specialized trainings and divided them into different categories. A lot of academic and institutional research has been done since the start on this era to elaborate the key factors of training and importance of human capital. Over the past 10 or 15 years, numerous theoreticians have argued that the human resources of the firm are potentially the sole source of sustainable competitive advantage for organizations.

Chadwick and Cappelli (1999) articulate both the current state of affairs in Strategic Human Resource Management (SHRM) Research, and the possible reasons for the lack of consensus is reflected in empirical work in this area (Chadwick 1999). They argue that all current approaches to SHRM research are strategic in nature and focus on the relationship between the joint systems of Human Resource Management policies and practices and organizational performance. This awareness contrast with the previous research, which was concerned primarily with the personal practices of Human Resource Management and its contributions to the variance of an organization and its levels.

1.2 Scope of the study

The scope of the study is to identify the change and development in employee performance after training. The most important factor is to check if the training conducted was intelligently identified through TNA - training need analysis.

The quality of TNA defines the scope of training required and so codes the training outcome.

1.3 Research questions and purpose of this study

The study assesses the training and development process of an organization that whether training helps in improving employee performance or not. It also tries to find out effectiveness of training programs in motivating employees to acquire new skills such as computer proficiency, language skill and other technical skill and knowledge that will boost the overall organization benefits.

Research question:

Q: What kind of an impact the training has on the employee performance?

1.4 Limitation of the study

This study focuses on the post training evaluation. The purpose is to find out the factors, which affect on the performance of the employees in the case company.

The case company is Salt'n Pepper. This company belongs to restaurant and hospitality sector. This company has several branches in Lahore, Islamabad, Karachi, Multan and Bahawalpur. Its mother branch and most of the branches are located in Lahore. This research was carried out only in 6 different branches of Lahore. Due to lack of time and financial constraint data were not collected from Salt'n Pepper branches located outside of Lahore.

Secondly, the employees working in their probation period or who have joined the company less than 6 months ago have not been included in this study.

1.5 Research method

Quantitative research method has been used in this study to answer the research questions. From HR (human resource) perspective, staff involvement in training, comparison with the pre training performance, and possibility to career growth are the key points to be discussed in the study.

Methods employed in the study to analyze the results are frequency distribution and histograms trend. These methods are highly useful in conducting basic questionnaire research analysis. Frequency distribution shows the repetition of certain factor (Hill 2012). SPSS software package is employed to carry out the quantitative analysis.

2 Literature review

2.1 Human Resource Management and HR Cycle

Human resource management (HRM) is the function within an organization that helps managers to recruit, select, train and develop members for an organization. (Shivarudrappa et al. 2010a, p. 5). It is the management function that deals with issues such as compensation, hiring, performance management, organization growth, safety, wellness, benefits, employee incentive, communication, administration and training. HRM is also an advanced approach to managing people and the workplace culture and environment. Efficient HRM assists workers to play their role effectively and efficiently to the overall company direction and the achievement of the organization's goals and objectives.

The skills, knowledge and abilities of employees are the guarantee of an organization success or failure in today's competitive environment. There are many super performer companies like Glaxo Smith Kline, Beecham, Ranbaxy, Infosys etc. and poor performers such as Mysore, Lamps, NGEF and the like. The super performance or under performance generally depends on the quality of human asset in the organizations.

The best way to understand how HRM works is to look at the typical HR cycle (Figure 1). The building blocks for every typical HR cycle are recruitment,

remuneration, retention, processing, record keeping, and termination. (Videsi 2012)



Figure 1. HR Cycle (Videsi 2012)

In the following chapters recruitment and retention has been described in detail as these two aspects of HR Cycle most concerned to this study.

2.1.1 Recruitment

The first step in any HR management is recruitment. First, you have to hire man capital to utilize it for your organizational goals. Once you have the human capital, then you can train and develop it according to the demands of organization.

The factors forecasting manpower planning requirements are:

- Projected turnover

- Quality and nature of your employees. What you see as the changing need of your organization
- The financial resources available to your organization

Two basic techniques used worldwide to assess the number of recruits organization need:

Trend analysis: Study of firms past employment needs over a period of time to predict the future needs

Ratio analysis: A forecasting technique to determine future staff needs by using ratios between turnover and number of employees

Companies use different kind of recruitment sources depending upon the available money and their own ease. Some common recruitment sources are, advertisements, newspapers, web job portals, college recruitment, and recruitment agents.

2.1.2 Retention

Retention is the second building block in HR cycle and the most concerned to this research work, which deals with the training and development of employees. Training focuses on specific job knowledge and skills to be applied in the short run, while the HR development focuses on broad knowledge and insights that may be required for adaptation to the environmental demands in future.

The phenomenon of employee training and development can be understood well after looking into the changes that take place in learning process. Employee training and development is a broader strategic context of human resource management. Retention is always necessary to keep up the pace with the changing and fast growing environment of organizations and their business. They need to create new knowledge, methods, and skills rather than utilizing the existing one (Vemic 2007). The whole idea of employee training has been beautifully summed up by Denis Diderot, a French philosopher from the era of enlightenment "Education should not be finished when an individual leaves

school, it should encompass all the ages of life, which provide them the possibility to maintain their knowledge” (Vemic 2007).

2.2 Training Process

A general training process is based on three to four blocks, which include: training need analysis, training objectives, conducting training, and training evaluation.

Training need analysis

Training need analysis is necessary to determine the training needs of a person or a specific job. What are the practical needs, why a person needs training? It is not about the sake of gaining knowledge but knowledge to the needs, to create innovation and competitive advantage, which can be applied to a practical job. The starting point for all the training is the needs analysis. The primary objective of all training is to improve individual and organizational performance. Establishing a needs analysis is, and should always be the first step of the training process. (Infande, 2015)

Developing and conducting training

This part of the training process addresses the techniques and methods by which training is carried out. Training objectives, timeline and budget are allocated and training is delivered through specified methods and road map. (Infande, 2015)

Training evaluation

This is the most critical part of training process, which focuses on the results obtained after training. The basic purpose is to analyze the after effects of training and determine whether the required or set goals have been obtained or not. It measures the reaction, participant’s feedback, trainer’s feedback, learning behavior and results of a training. (Infande 2015)

2.3 Types of training

Table 1 below explains the different types of training. These types are usually used in all steps in a training process.

Types of Training						
Skill training	Retraining	Cross Functional training	Team Training	Literacy Training	Diversity Training	Customer Service
focused on job knowledge and skills for instructing new hires	maintain the knowledge and skills of workers as job requirements change with technological innovation and organizational restructuring	prepare employees for a wide variety of tasks like flexibility in work scheduling and improving coordination among them	self-directed teams and address management skills, cross-functional skills and cross functional skills	improve the academic skills of workforce like, mathematics, reading, writing, communication skills,	Core ideology of respect and tolerance for persons of different race, gender, religion, and backgrounds.	focuses on better communication, meeting customer needs and satisfaction

Table 1. Types of training (Giovannini 2013) (M.Edralin 2004)

2.4 Methods of Training

There are several methods of training used in business. Even within one organization different methods are used for training different people. These methods can be categorized into cognitive and behavioral methods. Cognitive methods of training are mainly used to offer theoretical knowledge. It provides trainees issues such as how to do something, concepts of something, written information, etc. These methods are best for knowledge development. (Zhan 2005)

In the following Figure 2 different methods of training have been explained shortly.

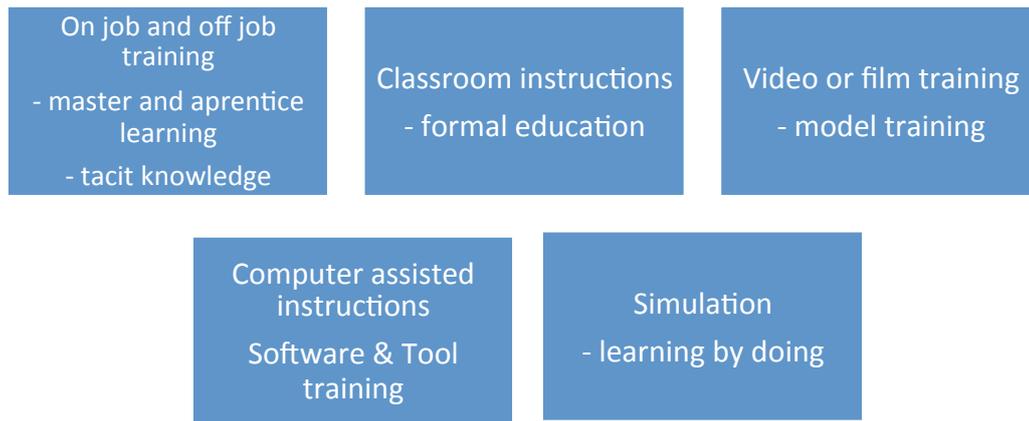


Figure 2. Methods of training (Zhan 2005)

3 Discussion on research questions

3.1 Models of training effectiveness

Training effectiveness means the outcomes of training. It is not an easy task to measure effectiveness of some training. Kirkpatrick was the first person to come up with a model for training evaluation (Kirkpatrick 1976). The first way is the reaction criteria, which means the attitudinal reaction of the employees to a specific training program. The second model is learning criteria, which evaluates the level of trainees, which have been acquired by them during training. This is the actual measure of the effect of a training program on employees. Third level of evaluation is behavior criteria and which evaluates the extent of application of training in the behavior and performance of trainees following a training program. Fourth model is the analysis of results, how far the organization has been successful in the accomplishment of their goal set prior to a training, e.g. sales or profit (Noe 1986).

Noe also puts forward a training motivation model. Trainees will be more motivated during a training program if they consider that high efforts will lead to high performance in training. Higher performance will lead to higher job performance. Higher job performance is the key to attain desired outcomes from a job. This model is all about motivation as motivation itself is a big factor, which affects the training performance and its outcomes. (Noe 1986.)

3.2 Factors affecting training

There are a lot of factors, which affect the training itself, ranging from environment, supervisors and instructors, content of the training and how it is conducted. These factors can be elaborated and well understood by listing them with their pros and cons.

Personal Factors

Factors encircling persons involved in training are personal factors. Whenever the humans are involved in some kind of exercise, or practice, they always affect the environment or process they are going through. The same is the case with employee trainings. As it is a process of transferring skills and technologies from the professional trainers to the new employee learning those skills. The two major parties are of course employees themselves who are seeking training and the second is the trainer or a staff member who delivers training. Officials who arrange training and provide resources for it can be counted as a third party, as they are responsible for the pre arrangements and post quality evaluation of training (Birdi 2005).

Human resource policy

This factor has been illustrated by Haywood and based upon the policy designed by HR for a training program. According to him too many training programs affect the main purpose of training, which is skill development, and behavior change (Haywood 1992).

Organizational factors

Everything is affected by its surrounding and environment, so as the training programmers. Birdi claimed that lack of managerial support could limit the impact of creativity training. Unfavorable environment affect the training effectiveness. (Birdi 2005.)

Other factors

Fischer and Ronald come with the idea that open mindedness is also a factor in training effectiveness. It has been claimed that training will be as much successful as the trainees and the trainers are open minded (Fischer 2011). Driskell stated that type of training conducted, training content and trainee expertise also affect the outcomes of training. Success is dependent on the way training has been conducted by the trainer and its content (Driskell 2011).

4 Case Study (Salt'n Pepper Restaurants)

Salt'n Pepper is the case company for this thesis. This company belongs to restaurant and hospitality sector and has its several branches in different cities of Pakistan. Its mother branch and most of the branches are located in Lahore.

4.1 Introduction

The Food consults (Pvt.) Limited is Pakistan's most recognized and distinguished hospitality brand with a history of market innovation and excellence in restaurant chain operations. The company's restaurant chain under the banner of the Salt'n Pepper Restaurant are regarded and respected as the number one restaurant entity in Pakistan by local and foreign observers.

The first Salt'n Pepper Restaurant was established in 1983. The organization, which has its headquarters in Lahore, prides itself on developing Pakistan's first chain of restaurants the Salt'n Pepper Restaurants. For 29 years, the group's focus has been to provide their guests with an exceptional dining experience each and every time they visit. The group's profile includes expertise in Pakistani & Continental cuisine, along with fast food.

This chapter describes the sample size, data collection and data analysis methods employed in this study.

4.2 Research Questions

Literature review suggests that training and development has a positive impact on employee performance and motivation. But the link between training and the

employee designation, education, gender, professional experience is still unclear. The following further research questions are formulated for the study:

- What is the impact of training on overall employee performance?
- How the impact of training varies with the employee age?
- What is the impact of training on different employees belonging to various departments?
- What is the impact of training on different employee according to their working designations?
- How the impact of training varies with the educational background of employees?
- What is the impact of training on employees with different professional experience?

4.3 Hypothesis

The hypothesis for the study has generated from research questions, mentioned in section above. Hypothesis to be tested are as follows:

H1: There is a positive impact of training on the performance of employees.

H2: The lower the age of employee, the better is the impact of training on employee performance.

H3: The lower the ranking of the staff, the better is the impact of training in employee performance.

H4: The lower the professional experience of the employees, the better is the impact of training on their performance.

5 Methodology

This chapter describes the sample size, data collection and data analysis methods employed in the study. The research strategy is the case study approach.

5.1 Research Design

In the research world several types of techniques are used for data analysis. These include quantitative analysis and qualitative analysis. I used the basic quantitative analysis in my study. Methods I employed to analyze the results are frequency distribution and histograms trend. These methods are highly useful in conducting basic questionnaire research analysis. Frequency distribution shows the repetition of certain factor (Hill 2012). SPSS software package is employed to carry out the quantitative analysis.

The basic research approach of this approach is the deductive research approach. This means that the already existing theory an empirical findings were tested. The purpose was to check whether widely accepted empirical findings are also applicable on the case company or not.

5.2 Data Source and Data Collection

Salt'n Pepper is the case company for this thesis. This company belongs to restaurant and hospitality sector. This company has different several branches in Lahore, Islamabad, Karachi, Multan and Bahawalpur. Its mother branch and most of the branches are located in Lahore, which are six in number. The branches where I collected my data are as follows:

1. Salt'n Pepper, The Mall
2. Salt'n Pepper, Liberty Market
3. Salt'n Pepper, Faisal Town
4. Salt'n Pepper, Café
5. Salt'n Pepper, Village Restaurant
6. Salt'n Pepper, The Grill

In each branch a questionnaire was distributed randomly among the employees. In order to minimize biasness, random sampling technique was adopted. All the employees from managerial to the lower staff were asked to fill the questionnaires. A total of 100 responses was collected from all the employees.

Primary data was collected for this study. The modified version of questionnaire from the study of Nassazi was adopted (Nassazi 2013). It consists of 19 questions. Respondents who had difficulties in understanding English were also provided the translated versions of questionnaire in Urdu language. Appendix 1 consists of the questionnaire used in the analysis. Most of the respondents were cooperative and willing to answer the questionnaire. The confidentiality of the answers of all the respondents was ensured. Before distributing the questionnaires, the objective of the research was briefly explained to the respondents, so that they should be aware of basic purpose of the research. The given time to fill the questionnaires was 15-20 minutes.

5.3 Questionnaire and its structure

Nassazi (2013) designed the questionnaire in their study to test the impact of training on employee performance, so the modified version of the questionnaire was used. Please go to Appendix 1 for the questionnaire (Nassazi 2013).

Questionnaire consists of two sections and total of 19 questions. The first section captures the sample characteristics. Sample characteristics include age, gender, marital status, education, professional designation etc. The second section captures to study the modes of training programs and its effectiveness an employee performance.

6 Results

6.1 Sample Characteristics

This section will briefly present the basic characteristics of the sample. Table 2 below shows the gender distribution of the sample of 100 respondents. Results show that 79% of the respondents are male while females accounts for 21%. This shows that most of the workers, working in the restaurant industry of Salt'n Pepper are males. This is a normal gender distribution in culturally and religious countries such as Pakistan where males are mostly breadwinners for their families.

Table 2: Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Female	21	21,0	21,0	21,0
Valid Male	79	79,0	79,0	100,0
Total	100	100,0	100,0	

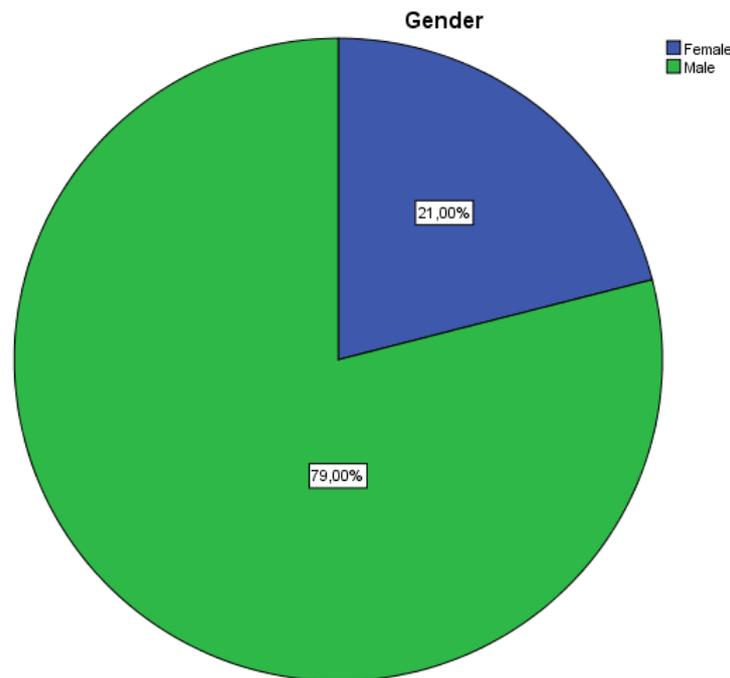


Chart 1. Gender

Age of respondents

Further analysis shows that most of the respondents belong to the age bracket of 26-35 years, which consists of 56% of the respondents. Second highest age bracket of the respondents is 18 - 25 years which accounts for 20% of the respondents. This further reveals that most of the respondents in this research are young people. Therefore 76% of the respondents are less than 35 years old in the total sample. The least number of respondents is in age bracket of 55 or above, which is only 2%. This indicates that most of the employees in Salt'n Pepper are young and energetic people.

Table 3: Age

	Frequency	Percent	Valid Percent	Cumulative Percent
18-25	20	20,0	20,0	20,0
26-35	56	56,0	56,0	76,0
36-45	17	17,0	17,0	93,0
Valid 46-55	5	5,0	5,0	98,0
55 or above	2	2,0	2,0	100,0
Total	100	100,0	100,0	

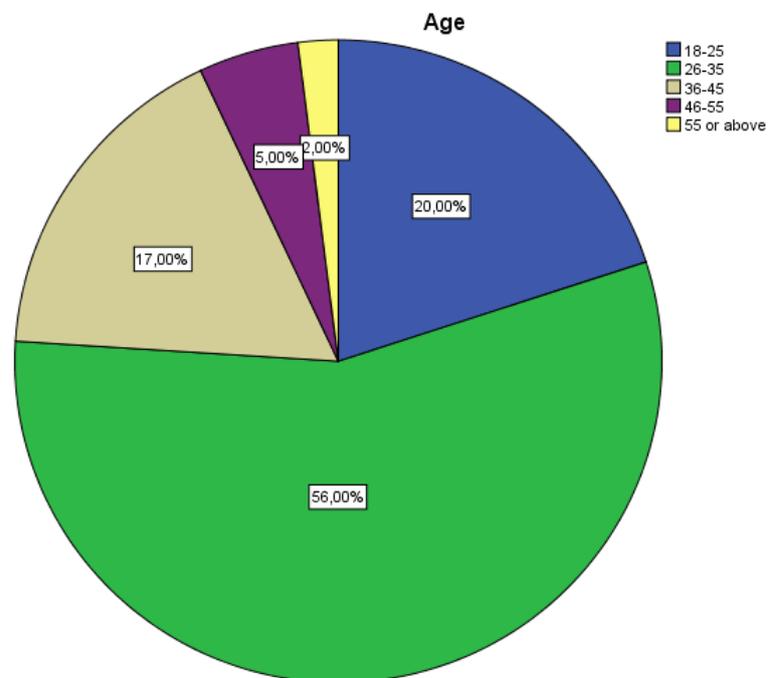


Chart 2. Age

Furthermore, it is revealed that most of the respondents included in the survey were single people, which is 64% of people. This supports the above analysis that since most of the people in my sample were young people, therefore they are also single. Married people account for 34% people.

Table 4: Marital Status

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	34	34,0	34,0
	Other	2	2,0	36,0
	Single	64	64,0	100,0
	Total	100	100,0	100,0

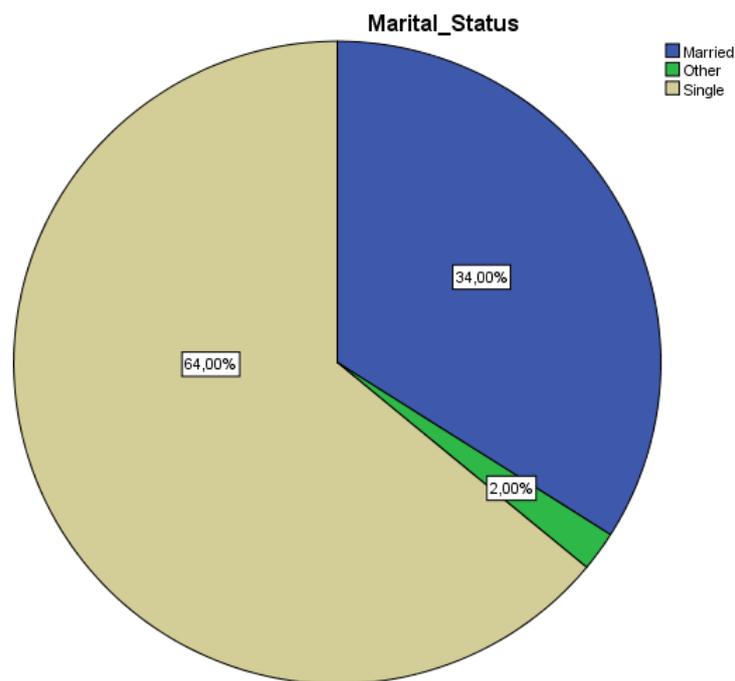


Chart 3. Marital Status

Working position

Department wise analysis indicates that most of the workers are employed in the Hall Service, which consists of 40% workers. Second highest proportion of workers is employed in the Kitchen, which is composed of 24% workers. The efficiency and effectiveness of workers belonging to these two sectors is of maximum importance for the success and profitability of the restaurant business. The reason behind is that workers belonging to these two sectors have the direct customer dealing and making the food. The least number of

employees is working in customer service sector, which are mostly working on the reception and cash, and has the least amount of responsibility.

Table 5: Department

	Frequency	Percent	Valid Percent	Cumulative Percent
Cleaning	16	16,0	16,0	16,0
Customer Service	8	8,0	8,0	24,0
Valid Hall Service	40	40,0	40,0	64,0
Kitchen	24	24,0	24,0	88,0
Management	12	12,0	12,0	100,0
Total	100	100,0	100,0	

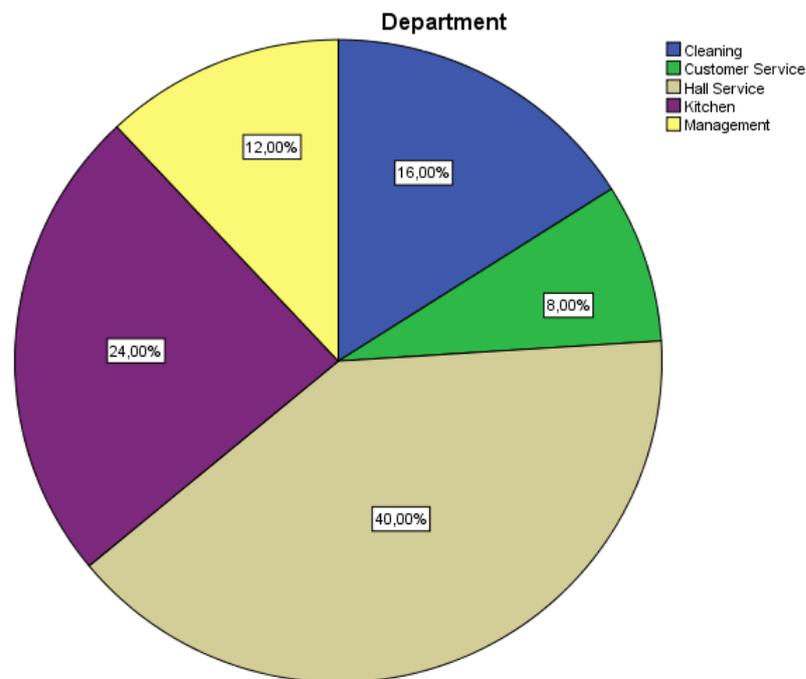


Chart 4. Department

Designation

The maximum numbers of employees are working as a Waiter, which is 32% of the employees. Waiters are responsible for facing the customers, order taking, knowing the customer behavior and demand. They are the main front or the main face of the restaurant. Second highest employees are represented as Cleaners and Kitchen Helpers, which each accounts for 16% of the employees

of my sample size. Generally employees from all these 3 sectors are considered lowest paid and lowest educated people, but the contribution of these people in the success of a restaurant is the highest. Only 4% of the people in our sample are Managers of the restaurant.

Table 6: Designation

	Frequency	Percent	Valid Percent	Cumulative Percent
Assistant Manager	8	8,0	8,0	8,0
Chef	8	8,0	8,0	16,0
Cleaners	16	16,0	16,0	32,0
Head Waiter	8	8,0	8,0	40,0
Valid Kitchen Helper	16	16,0	16,0	56,0
Manager	4	4,0	4,0	60,0
Reception & Cash	8	8,0	8,0	68,0
Waiter	32	32,0	32,0	100,0
Total	100	100,0	100,0	

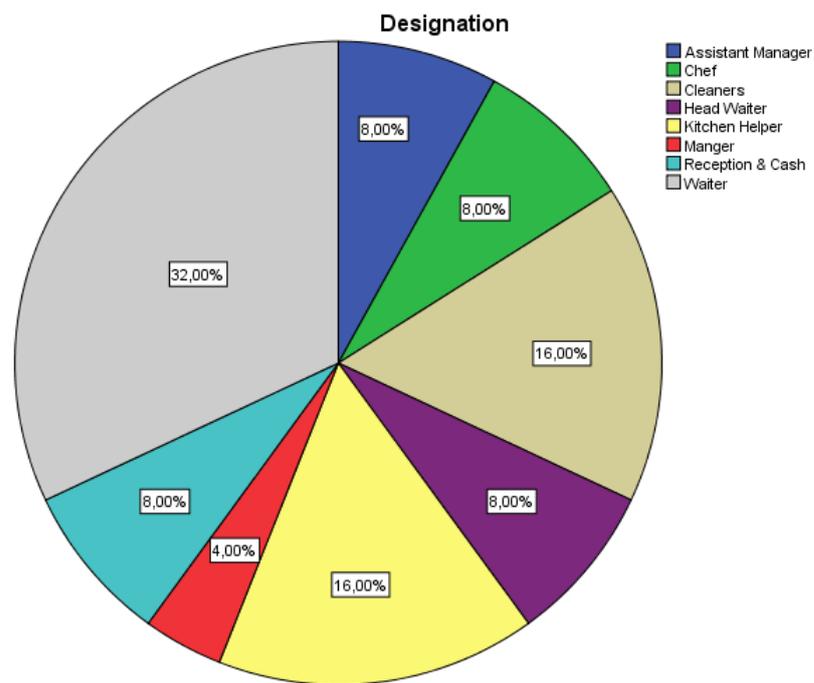


Chart 5. Designation

Education

Education wise comparison supports the point that most of the employees belong to the lowest in hierarchy. Maximum numbers of employees have the lowest education, which is 52% of the workers having education less than Secondary or Higher Secondary School. On the other hand, 19% of the respondents are graduates of Primary School. These figures reveal that most of the workers are unskilled and least educated; therefore, providing them the adequate training in order to equip them the necessary skills is highly crucial for the success of the restaurant. Furthermore 20% of the respondents have at least some diploma while 9% have Masters or Bachelor's degree. Apparently most of the workers with such high qualification are working as Chefs or Assistant Managers.

Table 7: Education

	Frequency	Percent	Valid Percent	Cumulative Percent
Bachelor or Master degree	9	9,0	9,0	9,0
Primary School	19	19,0	19,0	28,0
Valid Secondary or Higher Secondary School	52	52,0	52,0	80,0
Some Diploma	20	20,0	20,0	100,0
Total	100	100,0	100,0	

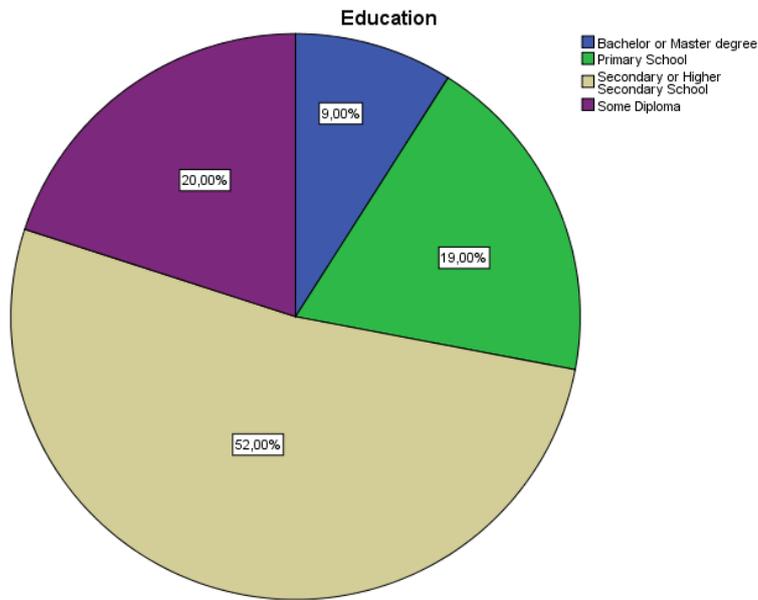


Chart 6. Education

The Chart of year of work experience reveal that most of the respondents have the least amount of work experience, which is only 0-5 years and consists of 66% of the respondents. These figures further indicate that these people are not very skilled and highly educated. Therefore, training and development of these people is inevitable for the company, if it wants to stay competitive and profitable. Furthermore, these figures also suggest that the company has huge employee turnover ratio. The percentage of respondents having experience between 10-15 years is just 12%. I believe that most of them might be Chefs or Assistant Managers.

Table 8: Years of service

	Frequency	Percent	Valid Percent	Cumulative Percent
0-5 years	66	66,0	66,0	66,0
10-15 years	12	12,0	12,0	78,0
15-20 years	3	3,0	3,0	81,0
Valid 20 or more years	3	3,0	3,0	84,0
5-10 years	16	16,0	16,0	100,0
Total	100	100,0	100,0	

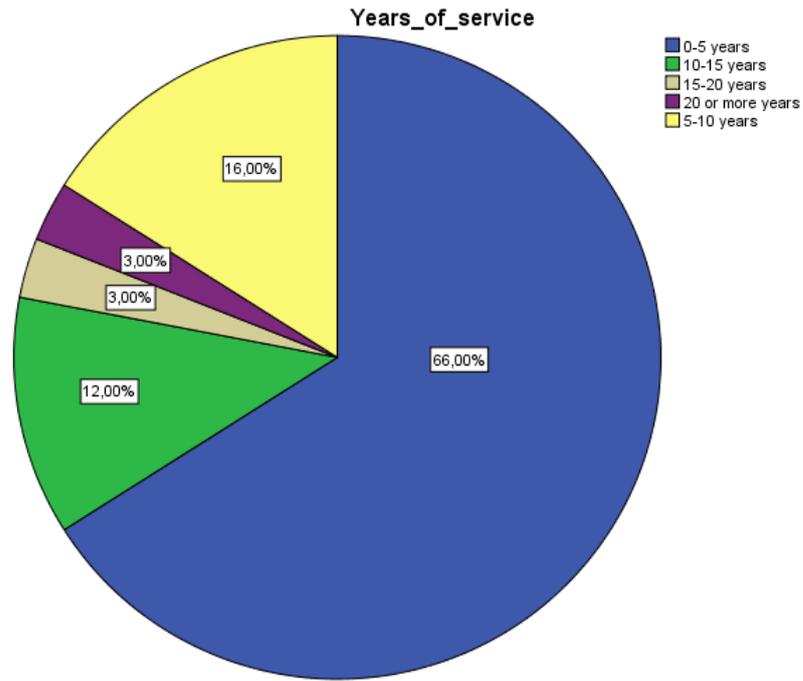


Chart 7. Years of service

6.2 Correlation Analysis

Correlation analysis will give the idea that how much is the dependence of certain factors such as gender, age, marital status, department, designation, education and years of service with other training and performance related variables. In order to check this impact, the correlation analysis was carried out. Table 9 below shows the result of the correlation analysis.

Table 9. Correlation Analysis

	How selected for training?	How often?	Taining methods	Training methods impact	Training quality	Training Relevance	Training impact on job performance ?	Require training in future?	Training affect job effeciency?	Work conditions support training?	Does Training lead promotion?
Gender	-,062	,017	-,040	,089	,135	,143	-,099	-,141	,100	0,000	,002
Age	,110	,190	,030	<u>-,492**</u>	<u>-,269**</u>	<u>-,217*</u>	<u>-,415**</u>	<u>-,267**</u>	<u>-,268**</u>	<u>-,387**</u>	<u>-,347**</u>
Marital Status	<u>,247*</u>	-,082	<u>,214*</u>	<u>-,217*</u>	-,003	-,164	-,135	-,018	-,080	<u>-,220*</u>	-,036
Department	-,162	,186	<u>-,299**</u>	-,088	,086	,136	,004	,000	-,069	,025	-,064
Designation	-,118	,168	<u>-,308**</u>	-,064	,113	,184	,048	,030	-,052	,051	-,039
Education	,174	-,181	<u>,311**</u>	,115	-,051	-,008	-,010	-,015	,115	-,018	,066
Service Years	<u>,300**</u>	<u>,200*</u>	,039	<u>-,273**</u>	<u>-,205*</u>	<u>-,320**</u>	<u>-,301**</u>	-,182	-,164	<u>-,314**</u>	<u>-,273**</u>
** . Correlation is significant at the 0.01 level (2-tailed).											
* . Correlation is significant at the 0.05 level (2-tailed).											

In the above Table 9 Correlation is significant at 0.01% means that there is 99% probability that the results I got are right. In the same way 0.05% significance level means that there is 95% chance that I will get the same relationship and results.

Impact of age

Results show that employee age and service years (professional experience) play a crucial role in the training impact and training perception among employees. Correlations show that as the age of the employee increases the effectiveness of training in improving the employee performance decreases as most of the studied variables correlate very well with age of the respondent. This shows that younger employees are much interested to learn and are flexible in welcoming the change in their job due to training. While on the other hand as the employee age increases he becomes less willing to accept training and it is less likely that he wants to learn anything from the training hence training will not bring any improvement in their job related performance. Old age employees also do not think that training will lead them to promotion while younger employee thinks otherwise. Old age employees are highly skeptical on

the effects of training and thinks that training has no impact in improving employee performance and employee efficiency.

Impact of service years

The same trend is expected, in case if service year (professional experience) is considered in the analysis. Results again display that as the professional experience of employees increases, the likelihood of employee motivation to undergo training and effectiveness of training on employee performance decreases. Part of this trend can be linked with the above mentioned point of age, which shows that both age and professional experience are positively correlated therefore, I get the similar results. But, if the point of “service years” or “professional experience” are analyzed separately, it can be said that perception of very experienced employee is that he thinks that he is equipped with all the needed and necessary skills for his job therefore, he does not need training.

Impact of marital status

Another interesting outcome of the results is the marital status of employees. It shows that married people think that training methods do not have any impact on their performance. Moreover, married people also do not believe that their work conditions support training.

No link of training and its impact on performance with education, gender, and designation were observed.

6.3 Percentage/Frequency Distribution Analysis

This section focuses on explaining the various types of training and development activities on the case company and its impact on the employee’s performance. All of these responses are recorded from the questionnaire.

How to be selected to the training

Chart 8 below shows how the employees were selected for training and development purposes at the company. These answers also show the training policy of the company. In the following chart it can be seen that 38% of the

respondents responded that training was compulsory for them while 35% were trained altogether when they joined the company. This shows that training and development is taken very seriously in the case company and most of the new employees are trained immediately. This also supports my previous findings that since most of the employees were least educated, least skilled, least experienced with high employee turnover ratio, therefore company has made training a mandatory requirement for most of the new employees. 14% of the respondents were referred on supervisor's recommendation, while only 3% of the respondents were selected on their own request.

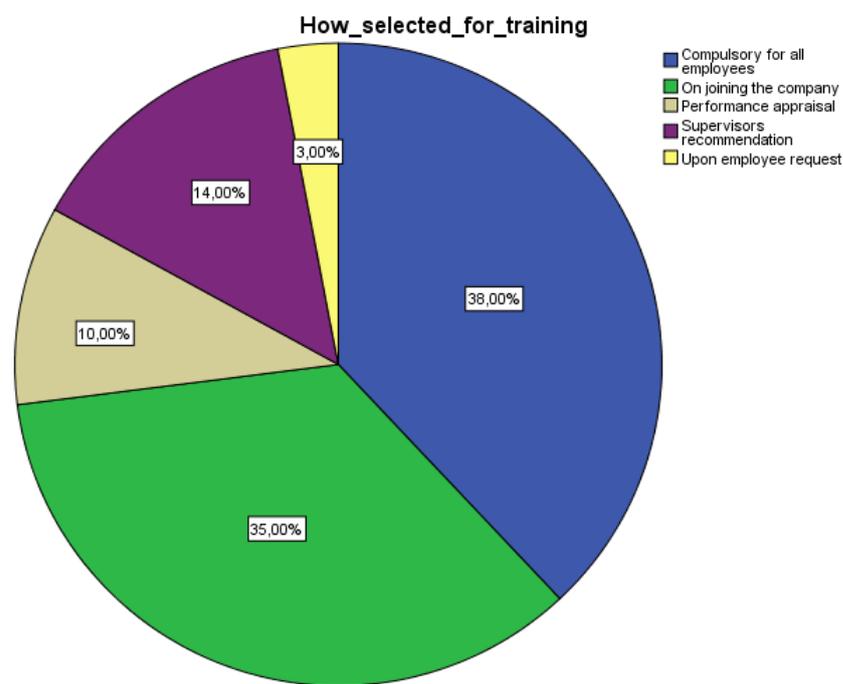


Chart 8. How selected for training

The frequency of the trainings

Chart 9 answers the question how often the employees undergo training and development. The figures show that there is no specific schedule of the employee training which accounts for 42% of the respondents saying “no specific schedule”, 34% respondents say that trainings are held after every two years. These figures show that trainings are not held frequently in the company. Supposedly very few trainings are held but they consist of very big number of employees. It further shows that company holds formal trainings when it recruits

large number of employees, or when company realizes the large employee turnover ratio it held huge trainings for large number of its employees.

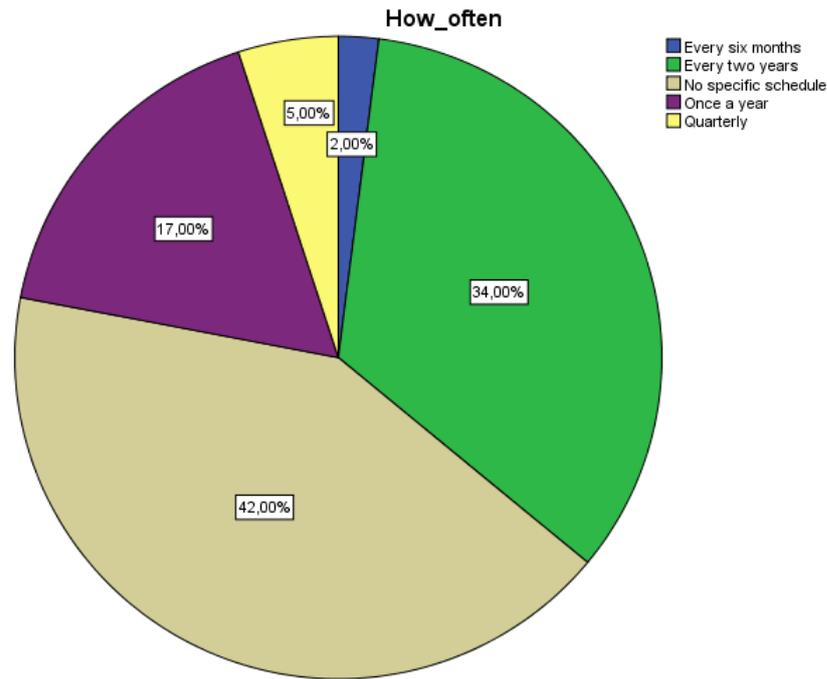


Chart 9. Training Frequency

Training methods used

Chart 10 shows the training methods applied by the company. Most of the methods used in the training are practical methods demonstration, which is 55%. This shows that since most of the employees are unskilled, less educated and least experienced, therefore practical demonstration is considered as most appropriate choice of training method. Moreover, since most workers are hall service workers or kitchen assistants, therefore, practical demonstration is most appropriate training method for them rather than any other method. A quarter of the respondents say that lecture was the training method.

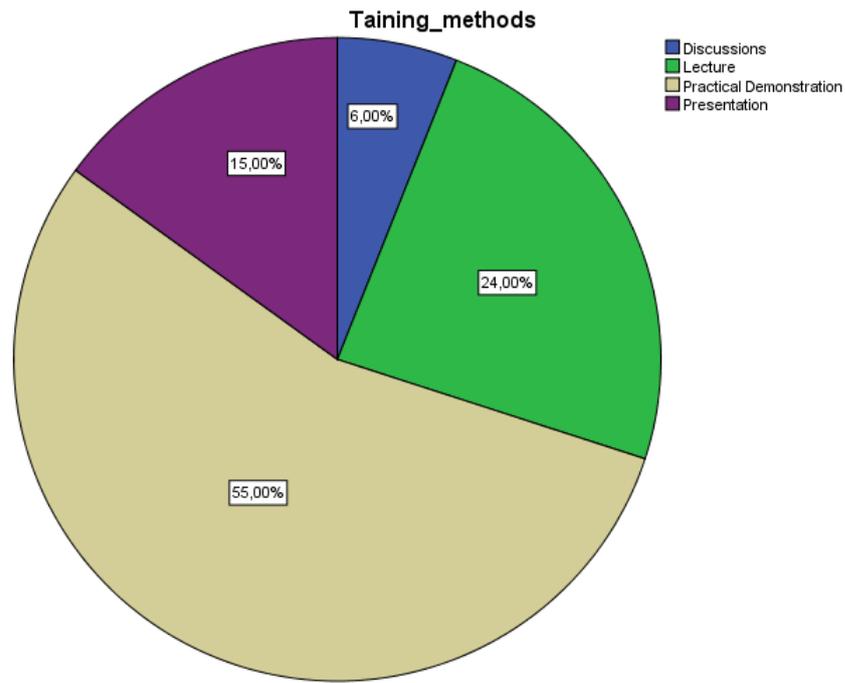


Chart 10. Training methods

Impact of training method

Chart 11 below shows the impact of the training method on the employee's skills. A substantial amount of the respondents strongly agreed with the positive impact of training, which was 35% and a large number of employees, which accounts for 58% responses answered that the applied training method had positive impact on their skills and knowledge. This shows that the company is applying the right method for training and enhancing its employee's skills. A small number of respondents, which was just 7%, were neutral.

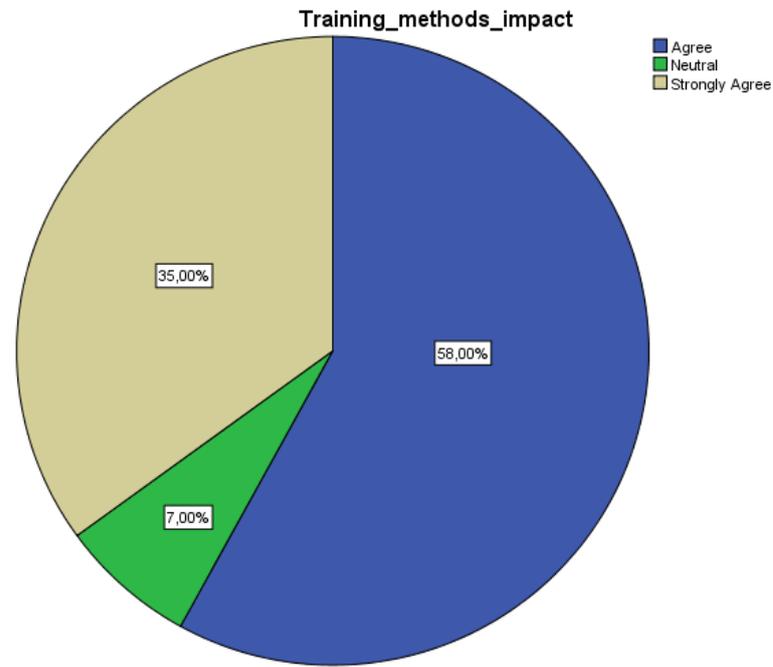


Chart 11. Impact of training methods

Quality of the trainings

Chart 12 shows the quality of the training and development offered by the case company. Most of the respondents think that training quality was good, which is 61% of the respondents. On the other hand, 28% consider the training quality just average, 10% think that training quality was very good and 3% rated it as poor. Overall results show that most of the employees were satisfied with the quality of training provided.

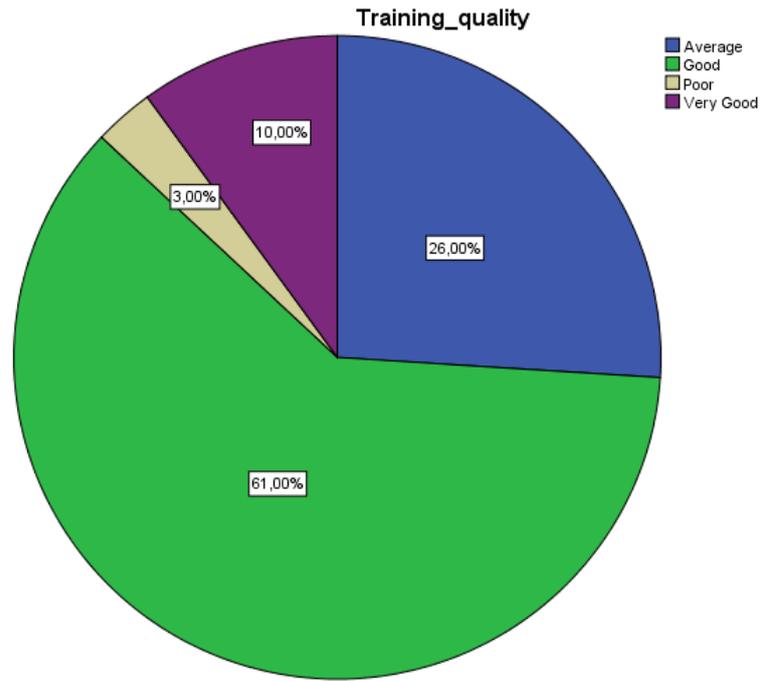


Chart 12. Training quality

Relevancy of the trainings

Chart 13 depicts that how relevant was the training towards the job or the job responsibilities of the employees. Overwhelming number of respondents, which is about 82% said that it was relevant while 11% said it was very relevant. This shows that 93% of the respondents think that the training was highly relevant to their jobs, so I assert that they are highly effective and useful for the employees.

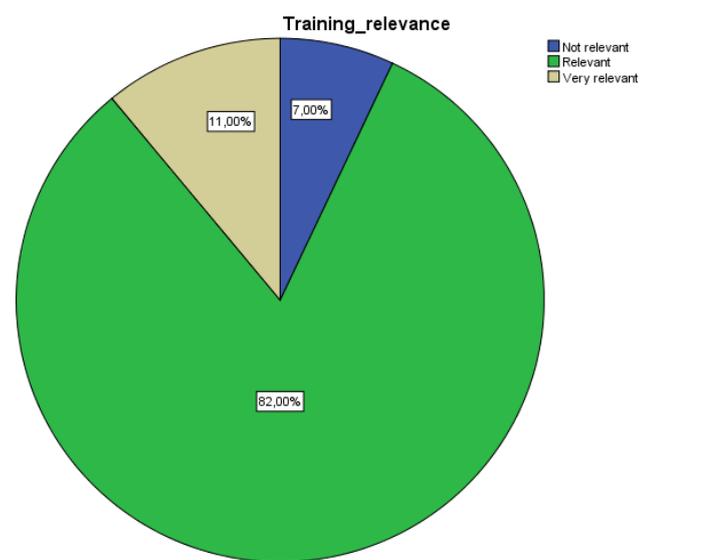


Chart 13. Training relevance

Impact on job performance

Chart 14 below records the impact of training on job performance. Most of the respondents (53%) agreed, while 35% respondents strongly agreed that training has a positive impact on their performance. This shows that 88% of the respondents think that training has certainly improved their skills and knowledge and certainly has positive impact on their job performance. Small portion of 8% respondents were neutral and 4% answered that training did not have any significant impact on their performance. These numbers of dissatisfaction are really small and we assert that training certainly has positive affect on employee performance

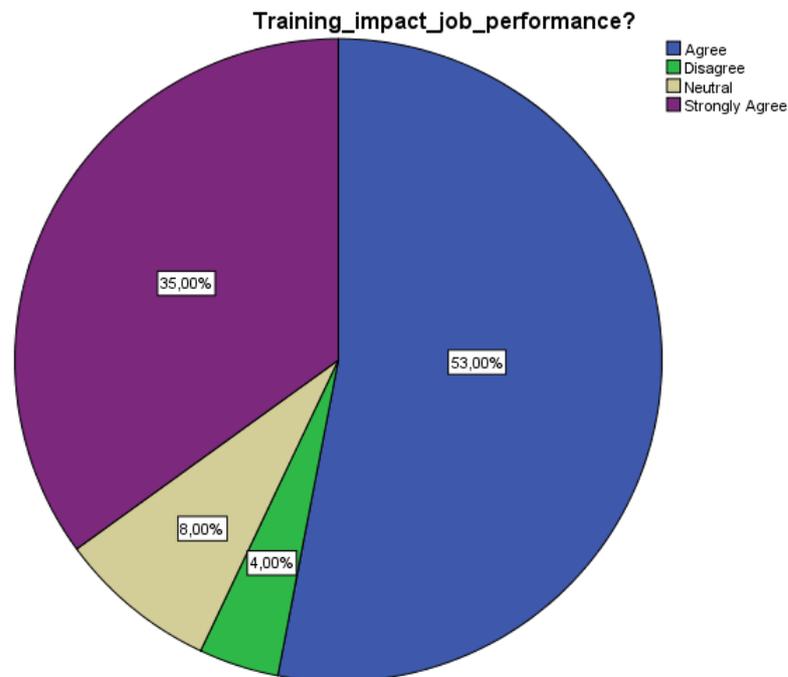


Chart 14. Training impact on performance

Requirements for future trainings

Chart 15 answers the question whether the respondents need training in the future. The statistics shows that 66% of the respondents agreed and wanted to undergo training in the future, while 25% strongly agreed and showed great motivation to be a part of it. A small number of respondent respond either Neutral or did not want to undergo any training, which is 3% and 6%

respectively. These figures show that respondents think that trainings are effective in job performance and skill enhancement; therefore they are optimistic to undergo more training in the future.

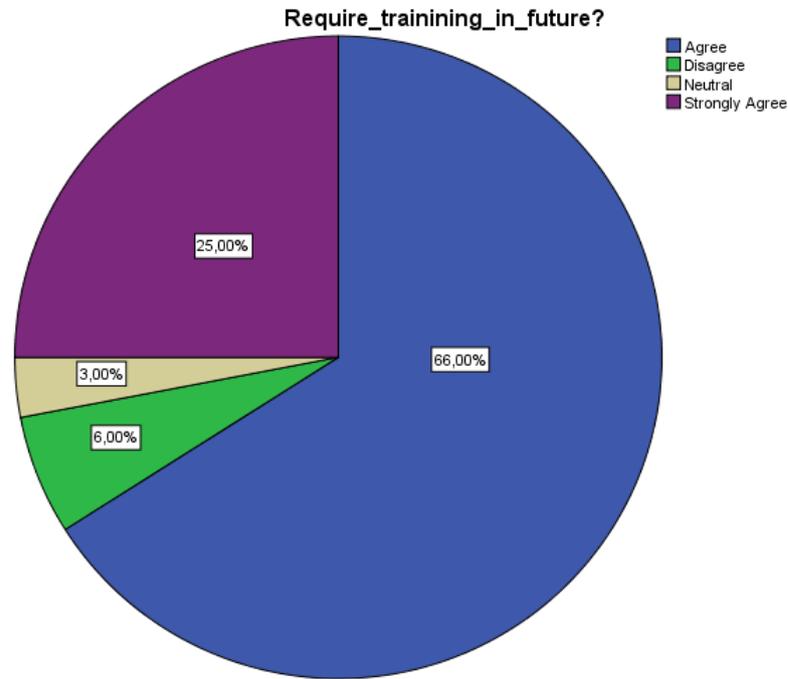


Chart 15. Future training requirement

Job efficiency

Chart 16 tries to explain the influence of training on performance with different angle. It checks whether training has impact on employee's job efficiency. The Chart shows that 23% respondents strongly agreed while 65% agreed that training certainly has positive impact on their job efficiency. This shows that training teaches them lot of methods and techniques to do the job efficiently in less time. Only 6% of the respondents disagree.

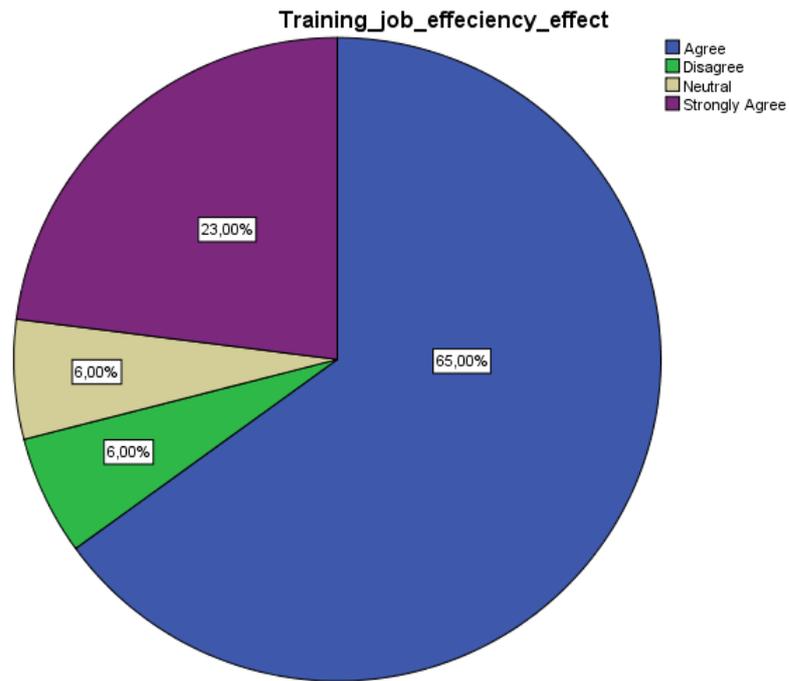


Chart 16. Training impact on job efficiency

Influence of working conditions

Chart 17 below shows that 71% of the respondents think that their working conditions itself support training. This is also a good indicator that most of the respondents think that work conditions and environment themselves train them.

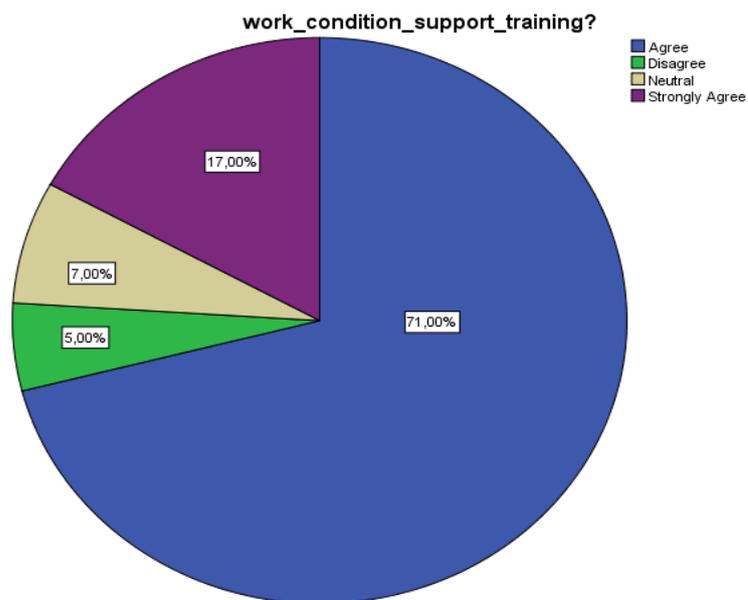


Chart 17. Work conditions support training

Influence on promotion

Chart 18 below shows that 64% of the respondents Agreed and think that training will help them, while 25% respondents Strongly agreed and are highly confident that training will lead them to promotion. Only a small number of respondents which is just 8% are not sure that whether training will lead them to promotion or not. These figures are quite usual and expected. One reason might be that most of the employees who undergo training are the least educated and unskilled; therefore they are skeptic of promotion to better job position within the case company.

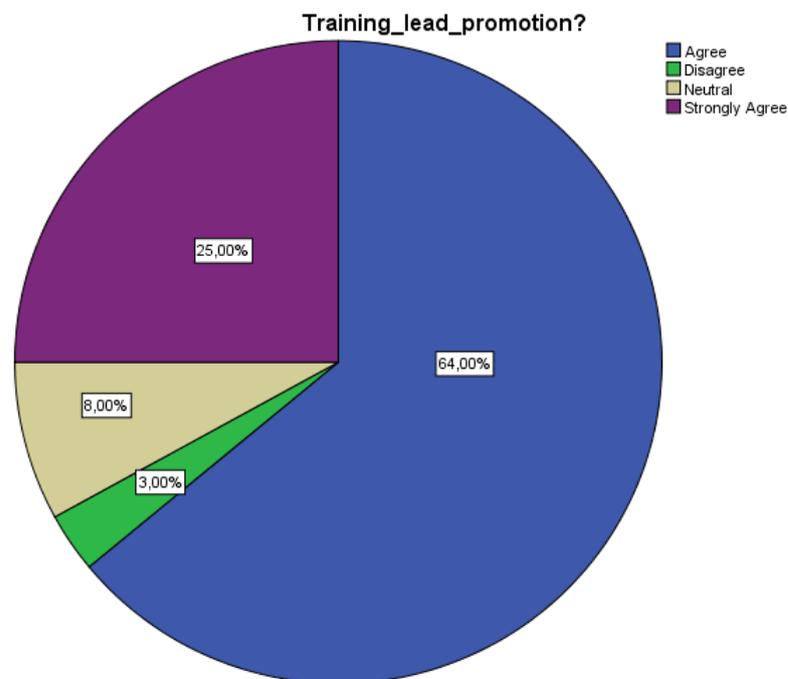


Chart 18. Training lead promotion

7 Conclusion and recommendations

The aim of the study was to examine the influence of training and human resource development on employee performance. The case company was Salt'n Pepper, based in Lahore, Pakistan. Basic quantitative analysis was conducted in the research. The sample size was 100 respondents

questionnaire. The Correlation analysis and Percentage Distribution analysis have been employed in the statistical analysis of results.

The results reveal that most of the employees of Salt'n Pepper are unskilled, less educated with very little work experience (between 0-5 years). This shows that training and development was necessary for the case company. Practical demonstration and lectures were the primary training tools used by the company. Most of the respondents answered that training certainly has a positive impact on their job performance and job efficiency. Most of the employees were also satisfied with the training methods and training tools utilized by the company. They also believe that training certainly helped them to enhance their job skills and they believe that their job efficiency, effectiveness has certainly improved. Most of the employees also look forward to more training in the future.

The results of the survey in this particular case company reflect that training and development methods are very effective and certainly upgrade the capacity and knowledge of the employees to do their jobs. The correlation analysis reveals that effectiveness and impact of training on employee performance depend on employees' age and professional experience. As people get older, the effectiveness of training on employee performance and employee willingness to undergo training decreases drastically because old age employees are highly skeptical on the effects of training and think that training has no impact in improving employee performance and employee efficiency. The same results were observed with professional experience. With the increase of the employee professional experience, the effectiveness of training decreases. It is just because of that mostly experienced employees think that they are equipped with all the needed and necessary skills for their job therefore, they do not need training. Another interesting outcome of the results is the marital status of employees. It shows that married people think that training methods do not have any impact on their performance. Moreover, married people also do not believe that their work conditions support training. No link of training and its impact on performance with education, gender, and designation was observed.

The main focus of this study was to test the impact of training on employee performance in the fast food restaurant business in Pakistan. Firstly, a generalization of results for the whole fast food industry is difficult because of the limited scope of this study due to the focus on only one Restaurant (Salt'n Pepper), within a large industry. To avoid this limitation, studies should be conducted by taking into consideration some other chain of restaurants, and perhaps in some other cultures. Moreover, this study was conducted only in one city due to the limited budget and time, so its effectiveness could be checked by conducting another study in the different branches of the company located in the other cities as well to see if the results are different.

List of references

- Becker, G. 1993. Human Capital: A theoretical and empirical analysis with special reference to education (3rd edition ed.). Chicago: University of Chicago Press.
- Birdi, K. S. 2005. No Idea? Evaluating the Effectiveness of Creativity Training. *Journal of European Industrial Training* , 2 (29), 102-111.
- Chadwick, C. P. 1999. Alternatives to Generic Strategy Typologies. In *Research in Personnel and Human Resources Management*,. Greenwich CT: JAI Press.
- Colarelli, S. M. (1996). Some contextual influences on training utilization. *The journal of applied behavioral science* 3 (32), 306-322.
- Dulebohn, J. H. (1995). *The history and evolution of human resource manag* (1st ed.). Oxford UK: Blackwell.
- Driskell, J. E. (2011). "Effectiveness of Deception Detection Training: A Meta-Analysis. *Psychology, Crime & Law* 10 (2011), 1-19.
- Fischer, R. (2011). Cross-Cultural Training Effects on Cultural Essentialism Beliefs and Cultural Intelligence. *International Journal of Intercultural Relations* 6 (35), 767-775.
- Frazis, H. G. (1995). Results from the 1995 survey of employer provided training. *Monthly labor review* 6 (121), 3-13.
- Frazis, H. S. (2005). Worker training: What we have learned from the NLSY79. *Monthly labor review* 2 (128), 45-48.
- Giovannini , E. (2013). *Human Resources Management and Training, Compilation of Good Practices in Statistical Offices*. New York: United Nations.
- Haywood, K. (1992). Effective Training: Toward a Strategic Approach . *Cornell Hotel and Restaurant Administration Quarterly* 33 (4), 43-52.
- Hill, R. C. (2012). *Principles of Econometrics. International Student Edition*. John Wileys & Sons Ltd.
- Holzer, H. J. (2007). *Better workers for better jobs: Improving worker advancement*. Washinton DC: The Brooking institution .

Huselid, M. A. (1995). The impact of human resource management practices on turnover productivity, and corporate financial performance. *Academy of Management Journal* 18, 835-872.

Kirkpatrick, D. (1976). *Evaluation of Training, Training and development handbook: A guide to human resource development* (1st ed.). New York: McGraw-Hill Company.

Nassazi A. 2013. *Effects of Training on Employee Performance: Evidence from Uganada*. Vaasa University of Applied Sciences Bachelor Thesis. Accessed on 9 December 2014, from <https://www.theseus.fi/handle/10024/67401>

Noe, R. A. (1986). Trainees, Attributes and attitudes, neglected influence on training effectiveness. *Academy of Management review* 11, 736-749.

M.Edralin, D. (2004). A strategic HRM function. *Notes on business education* , 7.

Przulj, Z. (2002). *Menadzment ljudskih resursa*. Beograd: Institut za razvoj malih i srednjih preduzeca.

Vedesi, P. (2012, September 17). Slideshare. Accessed on 4 June 2014
Slidessare web site: <http://www.slideshare.net/whatever.p007/the-employment-cycle-14319506>

Vemic, J. (2007). Employee training and development and the learning organization. *Economics and organization* , 4 (2), 209-16.

Videsi, P. (2012, September 17). *The Employment Cycle*. Accessed on 4 June 2014, from slideshare.net: <http://www.slideshare.net/whatever.p007/the-employment-cycle-14319506>

Wasserheit, J. N. (1998). *Training and professional development*. Center for Disease control and prevention .

Zhan, X. (2005). *Managing Human Resources* (3rd ed.). TsingHua University Press.

Appendix

Questionnaire

1. Gender

- 1) Male
- 2) Female

2. Age

- 1) 18 – 25
- 2) 26 – 35
- 3) 36 – 45
- 4) 46 – 55
- 5) 56 or Above

3. Marital status

- 1) Single
- 2) Married
- 3) Other

4. Department:

- 1) Management 2) Customer service 3) Kitchen 4) Hall Service 4) cleaning

5. Designation:

- 1) Manager 2) Assistant Manager 3) Reception & Cash 4) Chef 5) Kitchen Helper 6) Head Waiter 7) Waiter 8) cleaners

6. Educational background:

- 1) Primary School 2) Secondary School and Higher Secondary 3) Some Diploma 4) Bachelor or Master degree 5) Doctorate

7. How long have you worked for the organization in Years?

- 1) 0-5 years 2) 5-10 years 3) 10-15 years 4) 15-20 years 5) 20 or more years

8. How were you selected for training?

- 1) On joining the company
- 2) Supervisors recommendation
- 3) Compulsory for all employees
- 4) Upon employee request
- 5) Performance appraisal

9. How often do you undergo training?

- 1) Quarterly
- 2) Every six months
- 3) Once a year
- 4) Every two years
- 5) No specific schedule

10. What are the methods of facilitation at the training you have attended?

- 1) Lecture
- 2) Practical Demonstrations
- 3) Discussions
- 4) Presentation
- 5) Feedback supervision

11. Do the methods used during training have any impact on your skill?

- 1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree

12. How will you rate the quality of the training programme/s for which you have participated?

- 1) Very poor
- 2) Poor
- 3) Average
- 4) Good
- 5) Very good

13. How relevant were the trainings you received to your work?

- 1) Not relevant at all
- 2) Not relevant
- 3) Not sure
- 4) Relevant
- 5) Very Relevant

14. In your opinion, do you think training has helped improve your job performance?

- 1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree

15. Would you require further training for motivation towards performance improvement to enable you contribute to increased productivity?

- 1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree

16. Do you think training and development helps you to perform your job in more efficient and effective ways?

- 1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree

17. Do you think your working conditions support training and development programmes?

- 1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree

18. Training and development programmes will lead you to promotion and increment?

- 1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree

Thank you for your response ☺