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INFLUENCE OF TRAINING AND DEVELOPMENT ON THE PERFORMANCE OF TELECOMMUNICATION INDUSTRY IN KENYA

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Abstract

Purpose: The purpose of this study was to establish the influence of training and development on performance of telecommunication industry in Kenya

Methodology: This study adopted both descriptive and correlational research designs. The study population was 300 senior management employees in all the four telecommunication firms in Kenya, which include, Safaricom, Airtel, Telkom and Equitel. The study used proportional sampling in selecting the managers from the four telecommunication firms. A sample size of 150 was arrived at using Fisher formula. Primary data was collected using structured questionnaires. Simple and multiple regression models were used to analyze the data using statistical package for the social sciences (SPSS version 20). Descriptive and inferential analysis was used to analyze the data.

Results: The correlation results showed that training and development and the performance of telecommunication industry are positively and significantly associated. Further, regression analysis indicated that training and development has a positive and significant effect on performance of telecommunication industry in Kenya. The hypothesis results indicated that there is a significant relationship between training and development and the performance of telecommunication industry in Kenya.

Recommendations: Based on the findings, the study recommended the need for telecommunication firms to strengthen their employee training and development aspects. These are: fostering employee learning, fostering better customer service, fostering efficiency and productivity within the firm, enhancing the overall workforce productivity, fostering better time management and promoting better knowledge awareness. The strengthening of these aspects will result to improved performance in the telecommunication industry.

Keywords: *training and development, performance, telecommunication industry*

1.0 INTRODUCTION

1.1 Background of the Study

Employee training and development is recognized as the most crucial factor in the measure of an organizations performance. Training and development strategies within an organization are critical and must be efficient enough to maximize learning which could be beneficial to the organisation as a whole. According to Rolf and Udai (2002), effective training and development can improve employee's effectiveness, efficiency, team work, time management and the overall job performance of the organization. It is a well-known fact that training enhances skills, knowledge and ultimately worker performance and productivity in organizations, (Kreitner & Kinicki, 2008).

Training and development has been acknowledged to be a very important factor of organizational performance. However, it is not an end goal rather training is characterized as a means to an end, the end being productive, efficient work organizations, populated by informed workers who see themselves as significant stakeholders in their organizations success, (Barney, 2013). Training and development is basically directed at employee but its ultimate impact goes to organization, because the end user of its benefits is the organization itself, (Raja *et al.*, 2011).

1.2 Statement of the Problem

Human resource management practices influence employee skills through the acquisition and development of a firm's human capital. The alignment of human resource practices is very vital to the achievement of organization strategy. According to Harrison (2012), in order to add value, HRM must achieve outcomes that significantly increase the organization's capability to differentiate itself from other similar organizations, and thereby enhances its progress.

According to a study by Kamau (2015), on the competitive strategies adopted to drive performance in the telecommunication industry in Kenya; the research findings indicated that the smaller firms in the telecommunication industry are faced by shortages in employee as well as cannot offer the lucrative remuneration packages offered by the larger firms such as Safaricom and Airtel thus diminishing overall organization performance. In their study on the application of Balance Scorecard at Essar Telkom Kenya, Nzuve and Nyaega (2013), indicated that the firm is faced by a shortage in capacity building programs as well poor appreciation of employees which hampers attainment of organization goals.

Several studies have been conducted locally relating to human resource practices. Dimba (2008), investigated the nature of the effect of strategic human resource practices on organization performance. The result of the study indicated that innovative recruitment and selection process positively impact on performance. Oluoch (2013), conducted a study on the influence of best human resource management practices on organizational performance: a case of college of humanities and social sciences university of Nairobi, Kenya. The findings indicated that best human resource management practices, have a positive significance on organizational performance.

Most of these studies reviewed above focused on HRM practices in other industries and not telecommunication industry. Furthermore, the few studies done in the telecommunication industry focused on competitive strategies. There is therefore lack of adequate literature on the role of HRM practices, particularly, training and development in influencing performance of telecommunication industry locally; and thus the need for this study.

1.3 Specific Objective

To establish the influence of training and development on performance of telecommunication industry in Kenya

1.4 Research Hypothesis

H₀: There is no significant influence of training and development on performance of telecommunication industry in Kenya.

2.0 LITERATURE REVIEW

2.1 Theoretical Review

Human Capital Theory

Allan et al. (2008), postulates that recent challenges such as globalization, knowledge based economy and technological evolution have promoted many countries and organizations to seek new ways to maintain competitive advantage. In response, the prevailing sense is that the success depends in large part on the people with higher levels of individual competence. At the end, people are becoming valuable assets and can be recognized within a framework of human capital. Thus, this is the reason why organizations invest a lot on their employees through training and development programs and appropriate reward systems. Broadly, the concept of human capital is semantically the mixture of human and capital.

In the economic perspective, the capital refers to factors of production used to create goods or services that are not themselves significantly consumed in the production process, (Boldizzom, 2008). In research institutes, effective HRM practices should, therefore, be put in place in order to improve employee effectiveness. HRM practices are viewed as interventions that can improve employee performance.

Torrington (2008), explains that human capital signifies the combined intelligence and experience of staff as a source of competitive edge that cannot be initiated by rivals. He specifically indicates that effective HRM practices are an organization's source of competitive edge. The theorist argues that training and development is necessary for enhancement of human capital.

2.2 Empirical Review

Makhamara (2017) investigated the influence of Strategic Human Resource Management Practices on employee performance in the health sector in Kenya. One of the key variables was strategic training and how it affects employee performance. The study used descriptive research design. Proportionate sampling was used in selecting the permanent employees from the hospitals which ensured that the hospital with higher population had more members. Both primary and secondary data methods were used. Findings of the study indicated that strategic training influenced employee performance in the health sector in Kenya. Based on the findings, the study recommended the use of implementation and sensitization of strategic human resource management practices contingent to the health sector that will steer up employee performance.

Agoi (2017), study examined the influence of human resource management practices on employee satisfaction in sugar manufacturing firms in Western Kenya. The study adopted mixed research design. The study findings revealed that training practices impact highly on employee satisfaction. In addition, the findings indicated a positive and significant influence of training practices on employee satisfaction.

Kagiri (2014) investigated the role of HRM in innovation development by focusing on how the HRM influence innovative processes at the public universities in Kenya. One of the key aspects of the study was training and development. A descriptive research design was employed. The research findings indicated that there was a strong positive influence of training and development on innovation development. Based on the results, it was recommended that universities need to invest in training and development.

Ngila (2011), examined the effects of strategic human resource management practices on firm performance by conducting a survey of the banking sector in Nairobi Metropolitan. The study revealed that commercial banks utilized strategic human management practices in the key functions of recruitment, training and development, training effectiveness and evaluation, performance-based compensation; flexible benefits, employee relations, consultative performance appraisal and human resource planning.

Njenga (2012), conducted a comparative analysis of human resource management practices adopted by international organization for standardization certified and non-international organization for standardization certified commercial banks in Kenya. This study used cross-sectional descriptive survey design. The population of this study was comprised of all commercial banks in Kenya. Primary data was collected using a semi-structured questionnaire. International Organization for Standardization certification enables commercial banks to adopt human resource management practices. The findings concluded that there is a significant difference between firms with and without International Organization for Standardization 9000 certification with respect to the human resource management practices.

In his paper, Guyo (2015) examined the role of HRM practices in the development of organization citizenship behaviour among civil servants in Kenya. In particular, the study examined the influence of training and development on the development of organization citizenship behaviour among civil servants in Kenya. The study employed descriptive study design. The study findings revealed a significant relationship between OCB development and training and development. The study findings indicated that, government ministries maximize the effectiveness of training and development by constantly assessing and identifying their employees' current training and development needs to prepare them for next position.

3.0 RESEARCH METHODOLOGY

This study adopted both descriptive and correlational research designs. The study population was 300 senior management employees in all the four telecommunication firms in Kenya, which include, Safaricom, Airtel, Telkom and Equitel. The study used proportional sampling in selecting the managers from the four telecommunication firms. A sample size of 150 was arrived at using Fisher formula. Primary data was collected using structured questionnaires. Simple and multiple regression models were used to analyze the data using statistical package for the social sciences (SPSS version 20). Descriptive and inferential analysis was used to analyze the data.

4.0 FINDINGS AND DISCUSSION

4.1 Descriptive Statistics Results

The study aim was to establish the effect of training and development on the performance of telecommunication industry in Kenya. Using a five-point likert scale, the study sought to know respondents' level of agreement on various statements relating to training and development.

Results in Table 1 indicated that majority of the respondents who were 79.4% (59.8%+19.6%) agreed with the statement that fostering employee learning enhances the efficiency within the firm, 80.3% agreed that increasing employee training and development fosters better customer service which serves in enhancing brand image while 66.3% agreed that implementation of employee training and development fosters efficiency and productivity within the firm. Further, 80.4% of the respondents agreed that training and development of personnel enhances the overall workforce productivity, 88.7% agreed that training and development of personnel promotes better knowledge awareness which is key to product/service innovation while 87.9% agreed that training and development fosters better time management hence overall efficiency and cost reduction.

Using a five-point scale likert mean, the overall mean of the responses was 4.03 which indicates that majority of the respondents agreed with the statements about training and development. Additionally, the standard deviation of 0.69 indicates that the responses were varied. The results herein implied that training and development is key in enhancing telecommunication industry performance.

The study findings concur with those of Kepha (2015) who concluded that training and development, has a positive influence on employee performance. Similarly, Agoi (2017) observed a positive and significant influence of training practices on employee satisfaction. Ngila (2011), study revealed that commercial banks utilized strategic human management practices in the key functions of training and development and training effectiveness and evaluation.

Table 1: Training and Development

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	M	Std. Dev
Fostering employee learning enhances the efficiency within the firm.	0.00%	0.00%	20.60%	59.80%	19.60%	3.99	0.64
Increasing employee training and development fosters better customer service which serves in enhancing brand image.	0.00%	0.00%	19.60%	60.70%	19.60%	4.00	0.63
Implementation of employee training and development fosters efficiency and productivity within the firm.	0.00%	0.00%	33.60%	46.70%	19.60%	3.86	0.72
Training and development of personnel enhances the overall workforce productivity.	0.00%	0.00%	19.60%	54.20%	26.20%	4.07	0.68
Training and development of personnel promotes better knowledge awareness which is key to product/service innovation.	0.00%	3.70%	7.50%	57.90%	30.80%	4.16	0.72
Training and development fosters better time management hence overall efficiency and cost reduction.	0.00%	5.60%	6.50%	58.90%	29.00%	4.11	0.76
Average mean score						4.03	0.69

4.2 Inferential Statistics Results

4.2.1 Correlation Results

The correlation results between training development and performance of telecommunication industry in Kenya is indicated in Table 2. Results revealed that there is a positive and significant association between training development and performance of telecommunication firms ($r=0.839$, $p=0.000$). This means that both training development and performance of telecommunication firms change in the same direction. Further, the correlation coefficient of 0.839 revealed a strong association between training development and performance of telecommunication firms in Kenya.

The study findings concur with those of Kepha (2015) who concluded that training and development, has a positive influence on employee performance. Similarly, Agoi (2017) observed a positive and significant influence of training practices on employee satisfaction. Ngila's (2011) study revealed that commercial banks utilized strategic human management practices in the key functions of training and development and training effectiveness and evaluation.

Table 2: Correlation Results: Training and Development

		Organizational Performance	Training & Development
Organizational Performance	Pearson Correlation	1.000	
	Sig. (2-tailed)		
Training & Development	Pearson Correlation	.839**	1.000
	Sig. (2-tailed)	0.000	

** Correlation is significant at the 0.01 level (2-tailed).

4.2.2 Regression Results

The study sought to establish the effect of training and development on performance of telecommunication industry in Kenya. An ordinary least square regression model was used. The results of the model summary are given in Table 3. The findings indicated that employee training and development explain 70.5% of the total variations in performance of telecommunication industry in Kenya. This was supported by coefficient of determination also known as the R square of 0.705.

Table 3: Model Summary: Training and Development

Indicator	Coefficient
R	0.839
R Square	0.705
Adjusted R Square	0.702
Std. Error of the Estimate	0.2350798

Table 4 provides the results on the analysis of variance (ANOVA). The results indicated that the overall model is statistically significant. This was supported by the reported F statistic of 250.470 which is greater than the critical value of 3.94. The results were further supported by a reported p value of 0.000 which was less than the conventional probability of 0.05.

The results imply that the model linking training and development to performance is statistically significant.

Table 5: Analysis of Variance: Training and Development

Indicator	Sum of Squares	Df	Mean Square	F	Sig.
Regression	13.842	1	13.842	250.470	.000 ^b
Residual	5.803	105	.055		
Total	19.644	106			

Table 6 presents the regression of coefficients results. The findings showed that there is a positive and significant relationship between training and development and performance of telecommunication firms in Kenya as supported by a p value of 0.000 and a beta coefficient of 0.750. This implies that an improvement in training and development by 1 unit would increase performance of telecommunication firms by 0.750 units.

The study findings concur with those of Kepha (2015) who concluded that training and development, has a positive influence on employee performance. Similarly, Agoi (2017) observed a positive and significant influence of training practices on employee satisfaction. Ngila (2011), study revealed that commercial banks utilized strategic human management practices in the key functions of training and development and training effectiveness and evaluation.

Table 6: Regression of Coefficients: Employee Training and Development

	B	Std. Error	t	Sig.
(Constant)	.758	.192	3.939	.000
Training and Development	.750	.047	15.826	.000

Optimal Model;

$$Y = \beta_0 + \beta_1 X_2 + e$$

$$\text{Performance of Telecommunication Industry} = 0.758 + 0.750 \text{ Training and Development}$$

4.2.3 Hypotheses Testing

H₀: There is no significant effect of training and development on the performance of telecommunication industry in Kenya.

The null hypothesis was that there was no significant effect of training and development on the performance of telecommunication industry in Kenya. The coefficient of regression results in Table 6 showed that the calculated t value of 15.826 was greater than the critical t value of 1.96 at 5% level of significance. Thus, the null hypothesis was rejected and, therefore, training and development had a significant effect on the performance of telecommunication industry in Kenya.

5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

The study objective was to establish the effect of training and development on the performance of telecommunication industry in Kenya. Majority of the respondents agreed that fostering employee learning enhances the efficiency within the firm, fosters better customer service which serves in enhancing brand image, fosters efficiency and productivity within the firm, enhances the overall workforce productivity, fosters better time management hence overall efficiency and cost reduction and promotes better knowledge awareness which is key to product/service innovation.

Correlation analysis showed that training and development and the performance of telecommunication industry are positively and significantly associated. Further, regression analysis indicated that training and development has a positive and significant effect on performance of telecommunication industry in Kenya. The hypothesis results indicated that there is a significant relationship between training and development and the performance of telecommunication industry in Kenya.

5.2 Conclusion

Based on the findings and discussion of the results, the study concludes that training and development affects the performance of telecommunication industry in Kenya. The regression results showed that training and development had a positive and significant effect on performance of telecommunication industry in Kenya. Further, the null hypothesis of no significant effect of training and development on the performance of telecommunication industry in Kenya was rejected and the alternative confirmed.

5.3 Recommendation

Based on the findings, the study recommended the need for telecommunication firms to strengthen their employee training and development aspects. These are: fostering employee learning, fostering better customer service, fostering efficiency and productivity within the firm, enhancing the overall workforce productivity, fostering better time management and promoting better knowledge awareness. The strengthening of these aspects will result to improved performance in the telecommunication industry.

5.4 Suggestion for further Studies

The study sought to determine the influence of training and development on performance of telecommunication industry in Kenya. Similar studies could be carried out but focusing on other sectors. Future researchers could also consider other Human Resource practices such as rewards, recruitment and how they influence organizational performance of firms in both public and private sector.

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