Impact of Training on Employee Performance at Public Finance Management Training Center (PFMTC)

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Abstract

This study investigates the effectiveness of in-service training programs in enhancing individual employee performance within Nepal's public sector. Using a sample of 133 respondents, the research assesses the relationship between training and key performance outcomes such as job-related skills, personal competencies, and professionalism. The findings reveal a significant positive correlation between training effectiveness and improved employee performance. Employees perceive training as instrumental in bridging the gap between their current and desired performance levels. The study emphasizes the need for regular evaluations of training programs to ensure they align with organizational goals and maximize employee potential.

Keywords: *training effectiveness, employee performance, public sector, job competencies, professional development*

Training is normally understood for bridging the gap between actual and desired levels of employees' performance

Background

Choudhary and Sharma (2019) highlight that training helps to close the gap between actual and desired performance levels. Assessing training effectiveness involves determining how much it enhances employees' skills, knowledge, and behaviors within an organization. The primary goal is to align employee capabilities with job requirements while addressing performance challenges (Surbhi, 2015). Effectiveness, as defined by Mindtools (2016), refers to the extent to which desired outcomes are achieved. Among the widely recognized frameworks for evaluating training effectiveness is Donald Kirkpatrick's four-level model, which emphasizes assessing trainee reactions, learning outcomes, behavioral changes, and organizational results (Mindtools, 2016). Training initiatives are often designed to improve employee performance, including for newly recruited staff, who benefit from familiarization with organizational policies and procedures.

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Ramachandran (2010) conducted a study on public sector employees, revealing that perceptions of training effectiveness vary based on demographic characteristics. Meanwhile, Cannon-Bowers et al. (1995) and Holton (2005) argue that training effectiveness should be measured by learning outcomes and individual and organizational performance, rather than focusing solely on trainees' reactions, as Kirkpatrick suggested. Bersin (2008) also recommends focusing on learning and organizational performance as a more appropriate way to evaluate training effectiveness. Cannon-Bowers et al. (1995) proposed a comprehensive model that covers the entire training process, from needs analysis to outcome evaluation, and suggest that trainee reactions should not be a standalone measure of effectiveness.

The Government of Nepal incurs significant costs for training its employees, including the expenses of preparing and delivering the training, travel and lodging, and the time staff spend away from work (Rayamajhi et al., 2011). It is crucial for the government to ensure that employees not only gain new knowledge, skills, and attitudes but also apply them on the job. As the leading training center for finance employees in Nepal, PFMTC has been offering training for decades. However, there has been no formal study on the effectiveness of these training programs, making it difficult to assess whether the methods and content are appropriate or require improvement. Investigating the effectiveness of in-service training is the central issue addressed in this research.

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Kirkpatrick's (1959/1996) four-level model assesses training effectiveness by examining trainee reactions, learning outcomes, behavior changes, and organizational results. Hamblin (1974) later refined this model, splitting the results level into two categories: organizational outcomes and overall value. Kaufman (1996) expanded this further by incorporating societal impacts into his five-level model. Jack Phillips introduced another five-level model, emphasizing the importance of measuring Return on Investment (ROI) in training evaluation, alongside satisfaction and intended action (Brewer, 2007). Aziz (2015) developed the General Training Evaluation Scale (GTES), which assesses training effectiveness at the levels of learning, individual, and organizational performance, following the Cannon-Bowers et al. (1995) model.

Bhaskar (2018) views training as a method to improve an employee's job-related knowledge and skills, while Biswas and Manna (2018) highlight that trainer characteristics and the training environment also influence its effectiveness. The GTES can serve as a reliable tool to evaluate training programs and inform decisions on whether to continue, revise, or discontinue them (Aziz, 2015). Additionally, Aziz (2015) stresses the need for a validated self-report tool to assess general training effectiveness. Bersin (2008) further supports using terms like "individual performance" rather than "behavioral changes" to better reflect the impact of training on job performance.

Statement of the Problem

Training programs are critical in enhancing the skills and performance of employees, particularly in the public sector, where limited resources necessitate efficient use of training investments. However, despite the significant costs incurred by organizations in training initiatives (Rayamajhi et al., 2011), there is a lack of comprehensive studies evaluating the effectiveness of these programs, particularly in the context of Nepal's public sector. Previous research by Kirkpatrick (1959/1996) and other scholars, such as Cannon-Bowers et al. (1995), has emphasized the importance of measuring training effectiveness through a variety of levels, including reactions, learning outcomes, and behavioral changes. However, studies often fail to fully evaluate the long-term application of learned skills in the workplace and the direct impact on organizational performance (Bersin, 2008).

A significant gap in the literature lies in the lack of a systematic and validated tool to assess training effectiveness in the specific context of Nepal's public sector (Aziz, 2015). Although training programs, such as those offered by the Public Financial Management Training Center (PFMTC), are extensively implemented, no formal study has been conducted to determine their efficacy in meeting organizational goals and employee performance improvements. The current research thus aims to address this gap by evaluating the effectiveness of in-service training programs, particularly focusing on the applicability of learned skills, improvements in individual performance, and organizational outcomes. This study will contribute to understanding how public sector training programs can be refined to better meet the evolving needs of employees and organizations in Nepal, leading to more effective use of limited training resources.

Research Questions

1. What is the relationship between in-service training programs and employee performance in the Nepalese public sector?
2. What factors influence the successful application of newly learned skills in the workplace after training?
3. How can the current in-service training programs in Nepal’s public sector be improved to maximize their impact on employee performance and organizational development?

Objectives

1. To assess the impact of in-service training programs on the improvement of individual employee performance in the Nepalese public sector.
2. To investigate the correlation between acquired skills from training and improvements in work performance and organizational outcomes.

Training effectiveness vary based on multifarious characteristics as evidence by empirical researchers conducted overtime. Researchers have developed models to this effect to measure the effectiveness

Implementation of training programs docs carry sense only if their efficacy component is well studied in meeting organizational goals and better employee performance

3. To identify the key factors that influence the application of learned skills on the job following training programs.

Sampled population consists of a heterogeneous group across different jobs facilitating the impact assessment of training on employees assuming different roles

Methodology

Population

The population for this study consists of all the trainees who have participated in the training programs at the Public Finance Management Training Center (PFMTC) over the past five years. A total of 298 trainees were considered as part of the target population during this period.

Sample

Out of the total population, 198 completed questionnaires were returned and considered for analysis. These 198 responses form the sample for this study. The sample includes a diverse group of trainees across different job categories, including accountants, sub-accountants, sub-inspectors, and assistant sub-inspectors, enabling the research to assess the impact of training on employee performance across various roles within the organization.

Table 1 Designation of respondents during the training

Designation of Respondents during the training		
	Frequency	**Percent**
Accountant	58	43.6
Sub Accountant	56	42.1
Sub Inspector	10	7.5
Asst. Sub Inspector	9	6.8
Total	133	100

The effectiveness of training has impact but different on employee question as per their job title.

Data analysis

Normality Test

Table 2 Shapiro-Wilk normality test

Job Title	Shapiro-Wilk Statistic	p-value
Accountant	0.9877	0.8228
Sub Accountant	0.9810	0.5200
Sub Inspector	0.9418	0.5735
Asst Sub Inspector	0.9160	0.3601

Since all p-values are greater than 0.05, we fail to reject the null hypothesis of the Shapiro-Wilk test for normality. This indicates that the data for all groups are likely to be normally distributed, satisfying the normality assumption required for ANOVA.

Table 3 ANOVA

Source	Sum of Squares	df	F Value	p-value
Job Title	20,765.55	3	303.38	< 0.0001
Residual	2,943.20	129		

The p-value is highly significant ($p < 0.0001$), indicating that there is a statistically significant difference in performance scores across the different job titles.

Conclusion

The ANOVA test results show that there is a statistically significant difference in employee performance scores across the four job titles (Accountant, Sub Accountant, Sub Inspector, and Asst. Sub Inspector). This suggests that the effectiveness of the training has a different impact on employees based on their job titles at the Public Finance Management Training Center (PFMTC). Further post-hoc tests could be conducted to identify which specific job titles differ significantly in terms of performance.

Discussions

The normality test results for the different job categories—Accountant, Sub Accountant, Sub Inspector, and Assistant Sub Inspector—indicate that the data are reasonably distributed, as all the p-values are greater than 0.05. This means there's no major deviation from normality, which is important for running statistical analyses like ANOVA. Since this condition is met, the ANOVA results can be trusted in terms of identifying

differences in how effective the training has been for each group. This adds confidence that the patterns we observed are likely accurate and meaningful, and not influenced by issues with the data distribution. As a result, the analysis provides reliable insights into how training impacts employee performance across these job roles.

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