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An examination of training and development of middle level managers in emerging economies

Evidence from financial institutions in Ghana

Training and development of middle-level managers

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Abstract

Purpose – The purpose of this paper is to examine whether the training and development (T&D) of middle-level managers in the financial institutions of a sub-Saharan African country make any difference in the performances of the managers and the institutions in general.

Design/methodology/approach – An empirical analysis of managers' opinions based on a quantitative survey of 140 middle-level managers from four banking institutions in Ghana is conducted.

Findings – Findings showed that there is a significant relationship between T&D of middle-level managers and their performance and, consequently, performance of the banks. The findings also showed that managers become savvier in personal initiatives and responsive to customer care leading to enhanced service delivery. The paper proposes that T&D should focus on the significant relationship between the outcomes and programme objectives of organisations in emerging economies if these organisations want to be counted in this competitive global world.

Practical implications – The paper provides valuable information on the important role of middle-level managers as custodians of “tacit knowledge” that can turn around organisations, particularly in developing economies, if the needed T&D are given to them.

Originality/value – Empirical literature on T&D and on middle-level managers' development in developing countries is limited. The contribution of this paper identifies the roles that middle management can play in the performances of organisations and especially in emerging economies.

Keywords Performance, Banks, Ghana, Training and development, Mid-level managers

Paper type Research paper

Introduction

As a result of increase in knowledge and technology requirements of professionals, training and development (T&D) has become a lingering and an important area of the HR process to both academic scholars and business practitioners. According to Adair (2005), it is morally wrong to give a person a leadership role without some form of training – it is wrong for them and those who work with them. Maurer (2001) asserts that T&D is an essential aspect of a manager's career owing to technological advancement, globalisation and increased diversity of contemporary business. Hence, employees are required to update their skills through T&D (Garofano and Salas, 2005). Increasing globalisation and international competitiveness are also pushing firms in developing

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countries to recognise the importance of well-trained and professional staff in the quest for competitive advantage (Debrah and Ofori, 2005). This has led to a growing demand on managers to develop innovative skills and knowledge that would help them identify effective strategies to meet the global challenges. Accordingly, organisations are investing heavily on the economic performances of their employees through professional development (Cromwell and Kolb, 2004), as pressures keep mounting on the importance of skilled workforce in the drive for competitiveness (Lundy and Cowling, 2004). An emphasis from a UK White Paper, "Helping business to win", (1994) states that the world faces an increasing change and global competition in which wealth is more dependent on knowledge, skills and motivation of people (Cited in Lundy and Cowling, 2004). As a result, organisations should be looking to improve their economic performance, raise productivity and adapt new skills patterns of work and products to new circumstances. Therefore, managers in organisations and the staff who work under them should be given sufficient training and feedback to develop their skills (Adair, 2005; Van den Bossche *et al.*, 2010) because, in the current economic downturn, organisations will succeed if they are able to adapt to new realities as well as control their expenditures (Thomaz, 2009).

However, Ziderman (2001) points out that the availability of training funds and its sustainability constitute a serious problem to organisations in many developing countries, because large sums of money are spent in training and developing staff, yet only 10-20 per cent from what is acquired during training is applied in the workplace (Kirwan and Birchall, 2006). Mann (1996) argues that with the huge cost on emerging training strategies and programmes, the question is no longer whether organisations organise training for their staff, but rather, whether the training organised for staff is worthwhile and effective. Accordingly, Green (2001) advises that T&D should focus more on the significant relationship between the outcomes and programme objectives of the training and not on the attendance and attitude of staff towards training. If training is to be useful, then individuals who participate in training programmes ought to take new knowledge back to the workplace and apply what they have learnt (Hatala and Fleming, 2007). Moreover, if training programmes are focused on the nature of work, then trainees expectations would be fulfilled, and personal targets would be achieved (Galanou and Priporas, 2009).

Nevertheless, most organisations in developing countries are deficient in training practices due to lack of systematic planning, implementation and evaluations of the training programmes (Abdalla *et al.*, 1998). Especially, many banking institutions in developing countries see training as an overhead and not an investment, so T&D programmes are not conducted in a professional manner (Al-Athari and Zairi, 2002).

With the above assertions in mind, this study seeks to assess the extent to which current T&D practices are relevant to both middle managers and institutional performance in the competitive banking industry of Ghana. One major reason for this investigation is that there has been little attention given to the assessment of T&D programmes in organisational studies, and many reasons have been attributed to this. For example, Blundell *et al.* (1999) state that there are many difficulties associated with measuring the returns of training of employees, as it is often difficult to obtain data on firm productivity, firm competitiveness and firm profitability. Redshaw (2000) states that an assessment of training on managerial and organisational effectiveness and performance is really a difficult task to determine because of the following reasons:

First, the impact of training may take a considerable time before results are shown. Second, many other factors can also have both positive and negative influence on T&D of managers. Third, results of T&D are very difficult to quantify as in employee satisfaction, commitment and change in behaviour and attitude. Another major difficulty of evaluating T&D is that the cause and effect relationships are not necessarily straightforward and are hardly clearly defined (Yeo, 2003). Notwithstanding the difficulties, some researchers have concluded that training courses for managerial development are positively related to organisational commitment (Birdi *et al.*, 1997); result in greater organisational effectiveness through increased personal and professional growth and performance (Debrah and Ofori, 2005); lead to organisational performance measurements, such as ROI, changes in productivity, quality improvement, customer satisfaction and market share (Miller, 2002). Nonetheless, with the exception of Debrah and Ofori (2005), all these studies cited above are Western based. The dearth of theoretical and practical gaps still persists in the literature of developing countries particularly in the banking sector. This paper therefore intends to fill this gap in the HR literature of financial institutions in emerging economies and, in particular, the Ghanaian banking institution by investigating T&D practices and their impact on institutional and managerial performance. Our study seeks to provide some clarification to this debate by assessing the opinions of middle-level managers who are considered the driving force in achieving competitive advantage and survival of organisations (Dale *et al.*, 1990; Wilkinson *et al.*, 1993).

Literature review

The context of middle managers' T&D

The strategic management literature describes middle-level managers as key providers of information and strategy to the organisation's policies and objectives. In his book "The rise and fall of strategic planning", Mintzberg remarks forcefully that middle managers are the custodians of "tacit knowledge" which is essential for strategy formation. He goes further to say that middle-level managers get direct qualitative information which is priceless for organisational strategic decision-making (Mintzberg, 1994).

Middle managers constitute an institutional group with high level of motivation which can produce a realistic force for the transformation and development of the organisation (Katzenback and Smith, 1998). They co-ordinate and integrate activities by providing links to operational support staff and organisational support staff, and between the operational core and top management (Mullins, 2007). The middle manager is efficient in generating information and, therefore, fits the current speed of the market competition (Nonaka, 1988). As a result, new enterprises call for managers who can effectively solve problems and make strategic decisions based on an understanding of market mechanisms and competition (Li *et al.*, 2005) because dramatic changes make managers' existing abilities inadequate to cope with competitive environments (Branine, 2005). Training and developing middle managers contribute to developing their knowledge base, and this helps greatly in their expectations and their personal targets (Galanou and Priporas, 2009). Thus, the view of "middle management" as the driving force in achieving competitive advantage and survival in today's rapidly changing global environment has become the centre of attention and interest of researchers (Dale *et al.*, 1990; Wilkinson *et al.*, 1993). There is therefore the need for every

organisation to design and organise training programmes for current and future managers as the need for them increases (Eseryel *et al.*, 2001; Tennyson, 1999). It is in this context that this article examines the views of middle-level managers in the Ghanaian banking institution to ascertain the impact of T&D on their performance and the overall realisation of their institutional output.

T&D of managers and organisational performance

The continuous need for individuals and organisational performance and development can be attributed to the numerous organisational demands, including the maintenance of superiority in the marketplace, enhancing employee skills and knowledge and increasing productivity. T&D is one of the most pervasive methods for enhancing the productivity of individuals and communicating organisational goals to new employees (Arthur *et al.*, 2003). T&D of managers contributes to institutional performance, success and competitiveness through managerial talents and competences acquired from the T&D (Horwitz, 1999; D'Netto *et al.*, 2008). T&D enhances management's ability to perform and acknowledge disagreements and complaints from their subordinates (Galanou and Priporas, 2009).

A continuous form of T&D of managers can achieve higher productivity through quality job performance. This is demonstrated by a comparative analysis of the Japanese Automotive industry and those of the USA and Europe. While the Japanese automotive organisations give 380.3 training hours a year to managers, the US and European managers receive 46.4 and 173.3 hours of training, respectively. The Japanese investment has definitely manifested through the success of its automotive industry (Tennant *et al.*, 2002).

Training is a key factor of improved organisational performance, because it enhances the level of both individual and organisational performance (Mullins, 2007). It is also very useful in improving managerial provision of feedback (Van den Bossche *et al.*, 2010), and it reconciles the gap between what should happen and what is happening – between desired targets or standards and actual levels of work performance (Mullins, 2007). T&D is critical for practising managers and entrepreneurs who need to develop cross-cultural competence to successfully identify global business opportunities (Muzychenko, 2008).

According to Cole (1999), training and developing managerial skills is an important issue that is faced by all organisations. However, the amount and quality of T&D carried out by organisations vary enormously from one organisation to another. Factors including the degree of change in the external environment (technological change and new legislation), the degree of internal change (new processes or re-engineering), the availability of suitable skills within the existing workforce, the extent to which the organisation supports the idea of internal career development, the commitment of senior management to training as an essential part of economic success and, finally, the extent to which management sees training as a motivating force in the work place can seriously influence the quality of T&D activities (Cole, 1999).

Grober *et al.* (2002) identify seven purposes of T&D, the first of which is to improve performance where there are unsatisfactory performances by employees who are deficient in skills. They suggest that such employees are the main candidates for training consequently; a sound T&D programme is often instrumental in minimising such problems (Grober *et al.*, 2002). Based on this assertion, we hypothesise that:

H1. There is a correlation between the training of middle-level managers and improved work performance of banks in Ghana.

The second purpose of T&D is to update employee skills (Grober *et al.*, 2002). With the rapid advancement in technology, it has become essential for managers to be well versed in changes not only in technology but also in their jobs. This would enable managers to update their skills and knowledge through staff development, so that such advances are integrated into the organisational goals.

The third purpose of T&D is to avoid managerial obsolescence (Grober *et al.*, 2002) by keeping pace with new methods and processes that enable employees to be more effective and, therefore, increase their competitive advantage within the industry. The second and third purpose of T&D stated above gave rise to our second hypothesis that:

H2. There is a significant relationship between managerial development and managerial performance in the Ghanaian banks.

Other purposes of T&D according to Grober *et al.* (2002) are to solve organisational problems, such as:

- vague policies and standards;
- inventory shortages;
- high levels of absenteeism and turnover;
- labour; and
- management disputes which indelibly affect other functional areas of the organisation.

T&D ensures that employees have the capabilities and skills to enable them become more effective in the workplace (D'Netto *et al.*, 2008) and that learning through T&D creates an understanding of how to work more effectively as part of a team, thereby enhancing the employee's role in contributing to the organisation (Bloisi, 2007).

The socio-historical and institutional context of the Ghanaian banking system

Within the sub-Saharan African belt, Ghana has a well-developed banking system which has been expansively used by previous governments to finance developments in the national economy. In 1988, the government of Ghana initiated comprehensive reforms by amending the banking laws. Thus, banks were required to maintain a minimum capital base of 6 per cent of net assets adjusted for risk and to establish uniform accounting and auditing standards. The reforms also introduced limits on risk exposure to single sector borrowers. These measures helped to strengthen the central bank's supervisory role and enhanced the regulatory framework by improving resource mobilisation and credit allocation of the banks. By 1990, the banking industry consisted of the central bank (Bank of Ghana), three other primary commercial banks (Ghana Commercial Bank, Barclays Bank of Ghana and Standard Chartered Bank of Ghana) and seven secondary banks, three of which were merchant banks specialised in corporate finance, advisory services and money and capital market activities (e.g. Merchant Bank, Ecobank Ghana and Continental Acceptances). These primary and secondary banks placed short-term deposits with two discount houses (Consolidated Discount House and Securities Discount House, established in November 1987 and

June 1991, respectively) set up to enhance the development of Ghana's domestic money market. At the bottom of the banking stratum were about 100 rural banks spread all over the country, which accounted for only 5 per cent of the total assets of banks in Ghana (countrystudies.us/ghana).

By the end of 1990, banks in Ghana were able to meet the new capital adequacy requirements. Moreover, the government established the first Finance Company in 1991 to help distressed but potentially viable companies to recapitalise. The company was established as part of the financial sector adjustment programme to facilitate easy access to credit for companies hit by the Economic Recovery Policies (ERP). This company was a joint venture between the Bank of Ghana (BOG) and the Social Security and National Insurance Trust (SSNIT). Despite offering some of the highest lending rates in West Africa, Ghanaian banks enjoyed increased business in the early 1990s due to high deposit rates. The BOG raised its rediscount rate in stages to around 35 per cent by mid-1991, driving money market and commercial bank interest rates well above the rate of inflation. This made interest rates substantially positive and the banking sector very attractive, leading to enormous private investment in the Ghanaian Banking Industry. Consequently, banks in Ghana are jockeying for positions in the Ghanaian market, creating the need to design and organise T&D programmes for managers.

Table I below summarises the number of effective operating banks as at 2009. Apart from performing its main duty as the central bank, the BOG also carries out commercial and retail banking role.

Research methodology

The study was a quantitative survey carried out in four Ghanaian banks made up of two private and two public banks located in Accra, the capital city of Ghana. This was to achieve the objective of the study by sampling the opinions of a large number of middle-level managers of the four banks, hence the choice of a quantitative survey. Public banks in this research refer to banks that are partly or fully owned by the Ghana government, while private banks refer simply to banks which are multi-nationals with a foreign-home-country base. A non-probability sampling method was used in selecting the four banks, while a purposive sample of 140 middle-level managers was adopted in selecting the employees.

Sample frame

The sample for the four institutions was conveniently drawn from the directory of banks in Ghana at the National Banking College, Accra. For the public banks, we selected the two leading and most popular public banks in Ghana, while the oldest private bank in Ghana and a leading private bank were selected to represent the private banks. The reason for the selection of these banks is that they are large and broad-based banks with branches all over the country.

Because the main purpose of the study was to investigate the perceptions of middle-level managers on the importance of T&D, consideration was given to the size of the study organisations, hence the choice of large and established banks which undertake periodic training for their staff. The limit to four banks was due to time and financial constraints and for the researchers to be able to effectively distribute the survey instrument to the participants physically, as the postal system in Ghana is ineffective.

| | | | |
|--|---|--|-------------------------|
| Access bank Ghana | Ecobank Ghana | Intercontinental Bank (Ghana) | Standard Chartered Bank |
| African Investment Bank | Fidelity Bank (Ghana) | International Commercial Bank | Stanbic Bank |
| Agricultural Development Bank of Ghana | Banque Sahélo-Saharienne pour l'Investissement et le Commerce (BSC) | Merchant Bank Ghana Limited (MBG) | Trust Bank |
| AmalBank | First Atlantic Merchant Bank Ghana (FAMBG) | Metropolitan Allied Bank | UniBank |
| Bank of Baroda | Ghana Commercial Bank | National Investment Bank | United Bank for Africa |
| Barclays Bank | Guaranty Trust Bank (Ghana) | Société Générale – Social Security Bank (SG-SSB) | UT Bank |
| CAL Bank | HFC Bank | Prudential Bank Limited | Zenith Bank |

Table I.
A summary of
operating banks in
Ghana as at 2009

The sampled survey of participants of the study was based on a purposive sample size of 140 middle-level managers made up of 35 managers each from the four banks. The choice of number was to give equal number and balance to all banks. However, 99 returned usable questionnaires representing 70.7 per cent were used for the analysis.

Construct measurement

We varied our scales to measure the variables in our study based on our review of the literature and by means of adopting and modifying some pre-existing scales. As a result of the novelty of our study, we requested respondents to focus on the banks when they are completing the questionnaire. Similarly, to reduce item acquiescence and common method bias caused by commonalities within a population of busy middle-level bank managers, we varied the measures with open-ended questions. The survey instrument was pre-tested with all the four human resource (HR) managers of the banks. This was to get a feedback to refine the content and the structure of the survey questionnaire and to enhance the internal validity of the instrument.

Training link to institutional goals. We adopted D'Netto *et al.* (2008) instrument's item on "Link to corporate strategy" to measure our "T&D programmes link to institutional goals". However, we modified our instrument to three items (Likert scale) and substituted our own words into some of the scale to make it more relevant to our topic: for example 1. Training courses are linked to current jobs; 2. Management development is linked to organisational strategy. The items were on a five-point response scale ranging from 1 (strongly disagree) to 5 (strongly agree). Our pre-test showed a good degree of reliability with Cronbach's alpha of 0.74. An additional question to solicit respondents' open-ended opinion was do you agree that the training programmes you participated were relevant to the goals of the bank? 1. Yes 2. No. Explain your answer [...].

Training and job performance. Four items were used to measure training and job performance and were adopted and modified to fit our study. The first question – to what extent have the training courses given you a unique opportunity in your work? – was adopted from Galanou and Priporas (2009)'s six items, but as their scale was developed to measure job evaluation and not job performance, we modified the other three questions by substituting our own words to make the items more relevant to our topic. For example 1. To what extent do you believe that training can increase your job performance; 2. To what extent do you think training can motivate you perform on the job? For each question, participants were presented with a five-point Likert scale, ranging from 1 (nothing at all) to 5 (a very great extent). The Cronbach's alpha recorded 0.75. The last question under this section was an open-ended one, for example, does mid-managers' training affect their performance? 1. Yes 2. No. Explain your answer [...].

Management development effectiveness. As a central construct in the study, we took considerable care over the measurement of T&D of mid-level managers. The primary measure was a five-item scale with the following wording 1. Management development has increased job satisfaction in this bank? 2. Management development has resulted in higher productivity? 3. Management development programmes have helped our middle-level managers to deal with customers more effectively? 4. Motivation of middle-level managers are higher as a result of management T&D. The scale was adopted from D'Netto *et al.* (2008), but we reduced the scale score to five points instead of seven points. Thus, all items were on a five-point response scale ranging from 1

(strongly disagree) to 5 (strongly agree). We aggregated all the questions to form a single scale with acceptable reliability (Cronbach's alpha = 0.76). The last question was an open-ended one which read; does management development impact middle-level managers' work? 1. Yes 2. No. Explain your answer [...].

Middle-level managers' performance. We used three items to measure management performance (Galanou and Priporas, 2009). 1. To what extent has your confidence in using the knowledge and skills from training increased in the bank? 2. To what extent have the training courses increased your work performance in the bank? 3. To what extent do you believe that you are effective in meeting your work schedules after the training? All items were measured on a five-point scale ranging from 1 (nothing at all) to 5 (a very great extent). The Cronbach's alpha recorded 0.75. An additional open-ended question was; does T&D of managers affect their performance? 1. Yes 2. No. Explain your answer [...].

Training link to current jobs. Following Mann (1996), we created a three-item scale to evaluate the relevance of the training course content to the present needs of managers. 1. How relevant are the training courses to your current job schedule? 2. How relevant have the training course you undertook impacted on how you work now? 3. How relevant were the concepts and skills learned at training courses relate to your work conditions? All items were measured on a four-point response scale ranging from 1 (not relevant at all) to 4 (extremely relevant). A pre-test of the measures showed a good reliability (Cronbach's alpha = 0.74). Additional question, "Were the training courses relevant to your current job schedules?" 1. Yes 2. No. Explain your answer [...].

Control variables

We controlled for the effects of two variables that may influence the relationships among institutional T&D of middle-level managers. These included gender and firm size (resources) in our analysis. Gender of participants was measured with a direct question using a nominal scale (e.g. 1. Male, 2. Female), while the firm size in terms of resources was measured with five-point Likert scale from 1 (strongly disagree) to 5 (strongly agree).

Results and findings

Data were analysed using the SPSS 16.0 package. Table II provides the means, standard deviations and bivariate Pearson correlations for the independent and dependent variables used. The correlations matrix shows that multicollinearity does not threaten the validity of the data as all values are below 0.70. Table III presents two models that test the hypotheses of the study. Model 1 includes the effects of the control variables, while Model 2 is concerned with the main independent variables of the study. The results of the regression analysis show that both hypotheses were supported by the data. Precisely, the results in Model 2 indicate that *H1* which states that "There is a correlation between the training of middle level managers and improved work performance of Banks in Ghana" is established at $\beta = 0.242, p < 0.05$. Similarly, *H2* which indicates that "there is a significant relationship between managerial development and managerial performance in the Ghanaian Banks" is equally established at $\beta = 0.246, p < 0.05$. In other words, the more financial institutions like the banks engage their middle-level managers in T&D, the more likely the banks will enjoy better productivity resulting from better performances from the managers.

Table II.
Descriptive statistics
and correlations

| Variables | Mean | SD | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|------|-------|---------|---------|---------|---------|--------|---------|------|
| 1. Gender | 1.25 | 0.437 | 1.00 | | | | | | |
| 2. Firm resources | 1.91 | 0.744 | 0.260** | 1.00 | | | | | |
| 3. T&D link to institutional goals | 1.52 | 0.660 | -0.102 | 0.179 | 1.00 | | | | |
| 4. Training link to current jobs | 1.57 | 0.731 | 0.059 | 0.227* | 0.680** | 1.00 | | | |
| 5. Training and job performance | 1.90 | 0.614 | 0.058 | 0.337** | 0.431** | 0.424** | 1.00 | | |
| 6. Management development effectiveness | 1.02 | 0.349 | 0.234* | -0.071 | 0.043 | 0.035 | 0.105 | 1.00 | |
| 7. Mid-managers performance | 1.57 | 0.592 | 0.073 | -0.044 | -0.179 | -0.134 | -0.038 | -0.204* | 1.00 |

Notes: ** Correlation is significant at the 0.01 level (two-tailed); * correlation is significant at the 0.05 level (two-tailed)

| | Dependent variable: job performance | |
|--------------------------------|-------------------------------------|----------|
| | Model 1 | Model 2 |
| <i>Control variables</i> | | |
| Resource size | 0.345** | 0.259** |
| Gender | -0.032 | -0.023 |
| <i>Independent variables</i> | | |
| Link to institutional goals | | -0.075 |
| T&D of mid-managers | | 0.242* |
| Management development | | 0.246* |
| Link to current jobs | | 0.217 |
| <i>Model statistics</i> | | |
| <i>R</i> | 0.338** | 0.540*** |
| <i>R</i> ² | 0.115** | 0.292*** |
| ΔR^2 | 0.115** | 0.177*** |
| Adjusted <i>R</i> ² | 0.096** | 0.245*** |
| <i>F</i> -value model | 6.211** | 6.309*** |
| ΔF | 6.211** | 5.744*** |

Notes: * $p \leq 0.05$ (two-tailed); ** $p \leq 0.01$; *** $p \leq 0.001$; Model 1: controls entered only; Models 1 and 2; standardized beta coefficients shown

Table III.
Regression on job
performance

Impact of training on employees' skills development and work performance

With regards to training and employee skills and development, results indicate that as many as 84.9 per cent respondents from the private banks and 73.9 per cent of respondents from the public banks believe that training has a positive impact on middle-level management skills and development. The findings further show that 90.6 and 84.8 per cent of respondents of both private and public banks, respectively, agree that training affects managers' performance in the banks.

In as much as the study results indicate a positive impact of T&D on managers and the banks' performances, we sought further to find out if there were significant differences in the manner public and private banks are affected by the T&D process. For this reason, we used an independent sample *t*-test, which reveals no significant differences between the two groups (i.e. $p = 0.902$ for private banks and $p = 0.904$ for public banks) and for middle-level managers ($p = 0.149$ for private banks and $p = 0.156$ for public banks) (Table IV). Similarly, no significant differences exist in the

| Organizations | <i>N</i> | Mean | SD | Standard error mean |
|---|----------|------|-------|---------------------|
| <i>Training and manager performance</i> | | | | |
| Private Bank | 53 | 1.06 | 0.305 | 0.042 |
| Public Bank | 46 | 1.07 | 0.389 | 0.057 |
| <i>Training and bank performance</i> | | | | |
| Private Bank | 53 | 1.00 | 0.392 | 0.054 |
| Public Bank | 46 | 1.13 | 0.499 | 0.074 |

Table IV.
Group statistics

performances of both managers and banks in public and private sectors of Ghana with regards to T&D. This is illustrated by the means in [Table IV](#) (private banks M = 1.06, SD = 0.305; public banks M = 1.07, SD = 0.389) and (private banks M = 1.00, SD = 0.392; public banks M = 1.13, SD = 0.499) in relation to the performances of middle-level managers and the banks, respectively, and these differences were not statistically significant ([Table V](#)). This means that there is no significant difference in the manner in which both public and private banks in Ghana are differently affected by the training programmes or processes.

Results further show that most respondents (88.6 and 87 per cent of both the private and public banks, respectively) agree that their training courses were relevant to their current job schedules. Also, majority of the respondents (94.4 and 86.9 per cent of private and public banks, respectively) believe that all the training programmes they participated were equally relevant to their institutional goals. These results are further highlighted by the correlations of these variables in the correlation matrix displayed in [Table I](#) above.

Factors influencing T&D by the banks

On factors that influence banks to embark on T&D of managers, results show that meeting future responsibilities of the banks (79.3 and 78.3 per cent) and challenges of new technology in the banking industry (71.7 and 67.4 per cent) in both private and public banks, respectively, are the major factors that influence the selection of middle-level managers for T&D programmes. Other factors are personal deficiencies (41.5 per cent), quest for on-the-job creativity (50 per cent), innovation (49.1 per cent) and worker motivation are rated 35.9 and 32.6 per cent in both private and public banks, respectively.

Influence of training on performance indices

The study also sought to explore some performance indices in the banking industry following the T&D of middle-level managers. Results show that reliability of managers scored (84.8 per cent), trust worthiness (73.3 per cent), openness to customers (80.4 per cent), responsiveness to co-workers (73.9 per cent), innovativeness (73.9 per cent), friendliness and teamwork (69.6 per cent) and personal initiatives (76.1 per cent).

| Indicators | F | Levene's test for equality of variances | | | |
|--|-------|---|--------|---------|-------------------------|
| | | Significance | t | df | Significance (2-tailed) |
| <i>Training and manager performance?</i> | | | | | |
| Equal variances assumed | 1.020 | 0.315 | -0.123 | 97 | 0.902 |
| Equal variances not assumed | | | -0.121 | 8.489E1 | 0.904 |
| <i>Training and bank performance</i> | | | | | |
| Equal variances assumed | 6.750 | 0.011 | -1.454 | 97 | 0.149 |
| Equal variances not assumed | | | -1.430 | 8.501E1 | 0.156 |

Table V. Independent sample test for T&D on managers and banks

Note: N = 99

How T&D can really benefit employees' job performance

Opinions of respondents were sought on how T&D could really improve employees' skills and consequently affect banking performance. Results indicated that proper training needs analysis (26.2 per cent), capacity building and employee empowerment (12.2 per cent), target setting, monitoring and evaluation (10.3 per cent), appropriateness of training resources for better outcomes (3.7 per cent), increase in time period for training (2.8 per cent), involving managers in decision-making on training matters (1.9 per cent), adequate remuneration (1.9 per cent), on-the-job training (1.9 per cent), learning best practices (1.9 per cent), motivation (1.9 per cent), quality of job improvement (0.9 per cent) and problem-solving (0.9 per cent) were some of the constraints faced by middle-level managers with regard to T&D.

Discussion

The objective of this study was to find out if T&D make any difference in the performance of middle-level managers and the banking institutions in Ghana, respectively. The study findings showed a degree of concurrence with previous research findings

The study also sought to build on the evidence of the importance of T&D to organisational performance from previous studies that we used for our literature (Birdi *et al.*, 1997; Cole, 1999; Grober *et al.*, 2002; Arthur *et al.*, 2003; Bloisi, 2007). Findings of our work revealed that T&D play a crucial role in the entrepreneurial development and skills acquisition of middle-level managers leading to organisational performance of the various banks. The principal findings of this study support Grober *et al.* (2002) where our theoretical hypotheses (*H1* and *H2*) were derived from. Our *H1* sought to establish the significant correlation between T&D of middle-level managers and performance of the banks, and our *H2* sought to determine the relationship between middle-level managers' development and their performance in the banks. Both hypotheses were supported empirically, thus giving credence to the evidence that T&D improves employee performance in organisations (Grober *et al.*, 2002). In addition to the robustly supported hypotheses by the regression statistics, the extent to which the study findings strongly support T&D in the banking industry in Ghana is confirmed unequivocally by the percentage results of 90.6 and 84.8 per cent of respondents in both private and public banks, respectively. The consistency in which the conceptual literature above is empirically established in a developing country is worthy of note and demonstrates links to previous theory and literature (Birdi *et al.*, 1997; Cole, 1999; Grober *et al.*, 2002).

As we set to test for the impact of T&D of middle-level managers in the various banks, two variables were also used in the data analysis. This was to test their moderating effects which may have some influence on the results. No significant results were found for gender as impacting on the results in our analysis. However, resource size of the bank was found to influence significantly on T&D of managers (Table III). This may be explained by the findings of Reid and Harris (2002), who found that successful businesses are able to provide more employees' training than average size enterprises. Hence, larger firms are capable of delegating T&D programmes to specialists within and outside the firm (Kotey and Slade, 2005), and as training becomes more formal, structured and oriented towards developing managers for higher level positions, only large institutions will be willing to spend money for this (Mabey and Thomson, 2001). Thus, a firm's resource size will determine its T&D programmes.

Unlike most studies on employee T&D, results from this study show detail expansion of views of respondents on importance of T&D to institutional growth. For instance, our study results also established the benefits that middle-level managers acquire after T&D. The benefits are that managers become more reliable on their duties (84.8 per cent), trust worthiness (73.3 per cent), openness to customers (80.4 per cent), responsiveness to co-workers (73.9 per cent), managerial innovativeness (73.9 per cent), friendliness and teamwork (69.6 per cent) and increase in personal initiative (76.1 per cent). These benefits according to respondents have a positive impact on service delivery in the banks particularly as middle-level managers are the custodians of “tacit knowledge” which is essential for strategy formation (Mintzberg, 1994). These revelations indeed found support for the assertion that T&D ensures that middle-level managers have the capabilities and skills to enable them to be more effective in the workplace and that learning through T&D creates an understanding of how to work more effectively as part of a team, consequently enhancing the managers’ role in contributing to the organisation (Bloisi, 2007).

In addition, our current study showed that most banks in Ghana follow a standard pattern in determining T&D courses for their staff. Among the measures that the banks use in determining T&D programmes are that:

- T&D programmes are organised to meet the challenges of the latest banking technology;
- to replenish skill deficiencies in staff;
- to train new managers on-the-job; and
- to train managers to improve their innovative skills to motivate other workers in the bank.

Even though these measures are limited to the findings of Ghanaian banks, they are indeed universal procedures that are applicable to fulfilling the expectations of organisational management.

The study findings also showed that respondents were candid to give their opinions on how T&D can effectively enhance the performances of banks in Ghana. Respondents surveyed believed that appropriate training needs analysis, capacity building and employee empowerment, target setting for staff, monitoring and evaluation, on-the-job training, appropriateness of training resources, learning best practices of banking operations, increase in time period for training and involving employees on training decision-making and motivation of bank staff were some of the key setbacks of the Ghanaian banks. This means the Ghanaian banking institutions do not put emphasis on the above-mentioned factors which can have negative consequences on T&D of staff. Despite the obvious importance of employee empowerment through T&D, business organisations in Ghana seem not to place much value on the de-brief process and continuous communication with their managers (Abugre, 2011) who undergo learning processes. Yet, many Ghanaian organisations have poor understanding of competitive business skills and knowledge. This posture has a high price to pay in developing countries if management does not involve staff in ongoing T&D programmes, formulate realistic and meaningful productivity improvement programmes that will boost employee morale (Okpara and Wynn, 2008).

Finally, our results showed that significant differences in the manner T&D will affect managers in public and private banks does not exist. The fact that there is no difference in the way private and public banks in Ghana behave in T&D of their middle-level managers points to the possibility of cultural homogeneity of the Ghanaian people and their institutions; this is possibly because attitudes and behaviours of employees at the workplace is partly influenced by the socio-cultural and organisational environment in which the work is performed (Gyekye and Salminen, 2009). These findings are relevant to other African countries due to similarities in cultural and managerial practices.

The study of middle-level managers in the Ghanaian financial institutions highlights the importance of continuous training of personnel in emerging economies. This paper advocates the ability of organisations in emerging economies to be proactive in training and developing managerial competence to face the ever-increasing competitive global market than merely being reactive to internal responses. The argument that middle-level managers are a driving force in achieving competitive advantage and the continued existence of organisations in today's rapidly changing world of business environment is the crux of attention to researchers (Dale *et al.*, 1990; Wilkinson *et al.*, 1993). However, issues pertaining to the training of professionals in sub-Saharan African (SSA) countries remain relatively unexplored (Budhwar and Debrah, 2005). Thus, the findings of this study add to our knowledge the importance of training middle-level managers in SSA institutions. The answer to the central question of this article is yes, T&D of middle-level managers in financial institutions in emerging economies make a difference in their performance. Emerging economies need middle-level managers with a high level of motivation that can generate a pragmatic transformation and development of organisations (Katzenback and Smith, 1998), and this work undoubtedly provides us with such knowledge. If organisations in SSA would have to be counted in this global competitive world, then T&D of middle-level managers should be a continuous phenomenon.

Conclusions

The purpose of this paper is to analyse the extent to which T&D impacts the performance of middle-level managers and banks in the Ghanaian financial institutions. This study provides significant and detailed current information on the importance of T&D of middle-level managers in the Ghanaian financial institutions. The findings of the work reveal that T&D improves middle-level managers' skills and knowledge which is critical for improved performance of financial institutions. The findings also confirm that when middle-level managers receive training, their ability to perform their managerial tasks is enhanced leading to the total positive performance of the banks. This is consistent with the findings of Galanou and Priporas (2009), which state that middle-level managers' training contributes to developing their knowledge base that facilitates the development of intellectual competences. Thus, the paper makes a unique contribution, in our opinion, to the emerging empirical literature exploring the combined impact of T&D of middle-level managers and the performance of financial institutions in sub-Saharan African countries that have been overlooked at and under-researched by management researchers.

Limitation of study and future research

It is important to consider the directions for further research arising from the limitations of the findings of this study. First, the setting of this study and the sample size particularly with the middle-level managers need to be taken into consideration to limit the generalisation of the results. Using a broader sample size of middle-level managers with a larger number of banks may lead to the identification of additional findings. More research on both private and public banks is, therefore, necessary to validate these findings. Second, there may be other factors influencing interest in training middle-level managers, and therefore, we need to understand the extent to which the banks involve their managers in T&D activities. Also, a more comparative analysis of the effectiveness of T&D between public and private banks would offer a better understanding of the operations of the banks in emerging economies. Thus, the replication of this study in a different developing economy may provide interesting evidence therein. Furthermore, the data were collected from middle-level managers currently working in the banks. No supplementary data sources were used. Even though this is the most appropriate method for the variables in the study (openness to customers, motivation, trustworthiness, innovativeness, teamwork, effectiveness, etc.), it would be more informative to triangulate some of the measures with other sources from the banks (e.g. annual reports, balance sheets or income statements) to determine the performance and growth of the banks resulting from training of the managers.

Implications of the study

Notwithstanding these limitations, this study highlights a strong influence of training middle-level managers in financial institutions. It presents the important relationship between T&D, middle-level managers and bank performance. This research findings show that training and developing middle-level managers' skills and knowledge is very critical for improved performance of financial institutions. The results of the study confirm that middle-level managers' training contributes to an improvement in their ability to perform their managerial work leading to a positive performance of the banks. Rather than simply focusing on the quantity of management training, this study calls for organisations to focus the T&D of management and staff on the significant relationship between the outcomes and programme objectives of training. It suggests that T&D be made a continuous phenomenon if emerging economies would like to make a significant contribution to this global competitive world.

In addition, our findings regarding the effects of T&D on middle-level managers have strong implications for theory as well as practice. From a practical point of view, this study clearly indicates the need for managers of the various banks to pay attention to the changing trends (best practices) in the banking industry by focusing on the HR demands of the banks. This can be effective by involving staff particularly middle-level managers in the planning and implementation of T&D programmes. Theoretically, the study has contributed to the literature of HR practice in emerging economies. The dearth of literature on T&D in developing countries is partly solved by the findings of this study, and thus, more research needs to focus on this issue from a theoretical perspective. Moreover, this study has helped to update HRD interventions concerned with facilitating management and development of middle-level managers in organisations (Grober *et al.*, 2002; Mullins, 2007; Galanou and Priporas, 2009). Thus, HRD practitioners need to make T&D interventions visible to enable organisational performance and growth.

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