

Enhancing Employee's Performance through Training and Development: Empirical Study in Nepalese Microfinance Institution

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ABSTRACT

This paper focuses on microfinance institutions and examines the impact of training and development on employee performance. For the study, Nepalese microfinance institutions were chosen for the research, which is a progressive and growing market for financial institutions. Through a questionnaire, the primary data were collected from 210 respondents. The simple random sampling method was used for this study. The study used mean, standard deviation, coefficient of variation, correlation and regression to analyze the relationship and impact between the variables i.e. independent and dependent variables. Employee performance is taken as a dependent variable where training needs assessment, training content and delivery & training reward linkage as independent variables. The study shows a positive perception among respondents regarding the effectiveness of training initiatives in improving job performance. Most respondents believe training has significantly improved their job performance, emphasizing its transformative impact. The analysis of training needs assessment indicates a proactive approach to identifying skill gaps and tailoring training initiatives accordingly. This study concludes that there is no meaningful correlation between employee performance and training needs assessment in microfinance institutions. This study also shows that any improvement in the training content and delivery for employees working in microfinance institutions will result in a positive and significant improvement in their performance. This study also finds no evidence of a significant correlation between employee performance and training reward linkage for employees working in microfinance institutions.

Keywords: Employee performance, job status, microfinance, training & development, training reward linkage.

JEL Classification M53, M54, J24 O15

1. INTRODUCTION

Organizations strive for success through the creation, implementation, and sustenance of differentiated programs, services, capabilities, and products. However, the realization of such elements relies on well-trained individuals (Rodriguez & Walters, 2017). Training is the most basic function of human resources management. It is the systematic application of formal processes to help people to acquire the knowledge and skills necessary for them to perform their jobs satisfactorily (Armstrong, 2020). While employee training and development pose challenges for many leaders, organizations recognize the importance of investing in these initiatives to enable employees to positively impact organizational outcomes (Jehanzeb & Bashir, 2013). This investment spans various content areas, encompassing mandatory, compliance, managerial, supervisory, executive development, customer services, sales, interpersonal skills, and more (Jehanzeb & Bashir, 2018). Commitment to employee training and development reflects an organizational focus not only on high-potential employees but also on individuals prepared to take on higher levels of responsibility. Some companies provide reimbursement to employees, with approximately 10% of employees availing themselves of this benefit (Rosenwald, 2018). In today's competitive business environment, organizations must invest heavily in training and developing their human resources to stay up-to-date with the best industry practices.

This is essential for improving employees' skills, knowledge, and capabilities to effectively meet the needs of the organization's customers (Nwali & Adekunle, 2021). Employees are the foundation of the company. Employee performance determines the organization's successes or failures (Mwema & Gachunga, 2014). Organizational leaders must thus understand how crucial training and development are to the performance and appraisal of their workforce. Improved capacities, expertise, and know-how form the basis of the company's competitive edge in the current global market. Hence, one of the best strategies for improving worker performance and successfully achieving corporate objectives and goals is training (Garavan et al., 2021).

In Nepal's microfinance sector, the competition is intensifying due to a large number of competitors (Kar & Bali Swain, 2018). Simultaneously, the regulatory body, Nepal Rastra Bank, is exerting continuous pressure to raise paid-up capital and deposits while reducing the cost of service to customers by decreasing the spread rate. Organizations are actively seeking competent and results-oriented employees, even for roles with higher responsibilities and additional benefits, leading to a significant increase in corporate mobility as a growing challenge. To address this challenge, microfinance companies must establish advanced training programs to enhance employee skills and align their talent closely with the objectives of microfinance. In the Nepalese context, investing in training and development is a pivotal issue and can be considered one of the essential strategies for enhancing organizational performance. Although a great deal of study has been done on the subject of employee performance and training, organizational leaders still seem to face gaps and difficulties in this area. Consequently, the purpose of this paper is to investigate the effect of training and development on employee performance in Nepali microfinance organizations.

2. LITERATURE REVIEW AND HYPOTHESES

Training refers to a planned intervention aimed at enhancing the elements of individual performance (Theobald, 2021). It is all about improving skills that seem to be necessary for the achievement of organizational goals. The training program helps the workforce to decrease their anxiety or frustration, which originates from work on the job (Gusdorf, 2009). Those workers who feel themselves to be unable to perform a task with a desired level of performance often decide to leave the organization, otherwise, their stay at the firm will not be productive (Elnaga & Imran, 2013). The greater the gap between the skills necessary and those possessed by the workforce, the higher the job dissatisfaction of the worker (Beardwell & Claydon, 2004).

Training generates benefits for the employee as well as for the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behavior (Tahir & Sajjad, 2014). With training programs in place, one would anticipate an improvement in employee performance as they assist staff members in becoming familiar with the desired new changes, gaining a firm grasp of the competencies and skills needed to carry out a specific job, and avoiding mistakes and errors made while on the job (Roberts, 2006). Training and development are more likely to improve employee performance. Additionally, trained employees are more likely to enhance service delivery. Specifically, coaching and mentoring can boost performance (Nama, Daweti, Lourens & Chikukwa, 2022).

The successful implementation of each element of the training process determines its effectiveness. From the employee's perspective, training can be effective if it is related to a high level of motivation, improves their ability to perform their job, and also fosters a positive attitude toward their work (Balogun & Omotove, 2020). Different components affect the training and development programs. However, this paper considers only three important elements which show the following research framework.

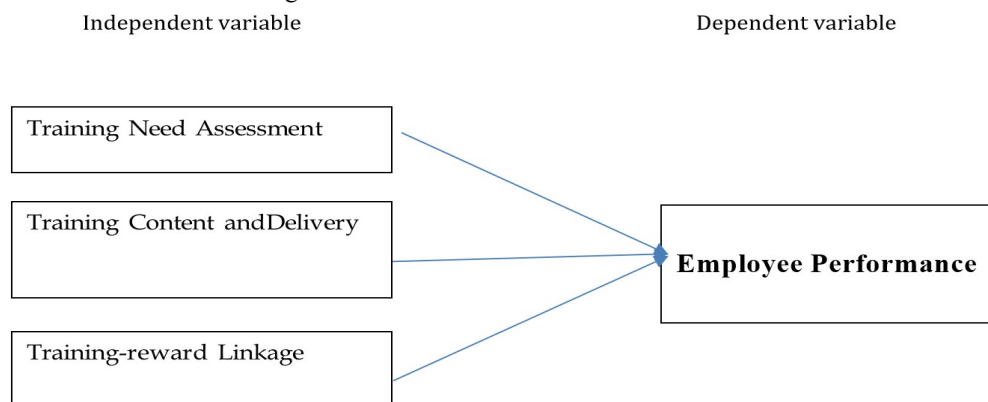


Figure: Research framework for this study

2.1 Training Needs Assessment (TNA)

Training needs assessment is a strategic process involving the identification of organizational and industry goals, gathering and analyzing competencies, and determining the gaps between the current and future conditions. The assessment phase includes examining employee and employer performance to determine if training is necessary. It's important to consider non-training factors such as compensation during the assessment. (Yimam,2022). A training needs assessment helps companies or organizations determine if training is necessary. It involves analyzing the gap between current job requirements and the organization's operational and strategic goals, both present and future. (Lussier & Hendon, 2017). Conducting a systematic TNA is a vital initial step in designing a training program, with a significant impact on the overall effectiveness of training initiatives and, consequently, employee performance (Wagonhurst,2002). TNA has a great influence on training and development programs so organizations should have proper TNA activity before conducting training(Bin Othayman & et al.2022).

Hypothesis 1: There is a significant relationship between training need assessment (TNA) and employee performance.

2.2 Training Content and Delivery

Once training has been designed, the actual delivery of training can begin. It is generally agreed that the training is pilot-tested or delivered on a trial basis to ensure that the training meets the needs assessed. The delivery style and training materials are vital because it is the method of changing an employee, which is expected of the trainee (Mathis & Jackson,2016). Similarly, to make training effective organizations should focus on training content too. Training contents include any information presented to learners to teach knowledge or skills (Megan, 2017).The training needs assessment (TNA) results in the definition of training objectives, which, in turn, specify the skills and tasks to be addressed. Different training delivery approaches can be more effective for specific tasks or training contents, as these approaches are intended to convey specific skills, knowledge, attitudes, or task information to trainees. The importance of considering the characteristics of skills and tasks when determining the most effective training delivery approaches (Meyer & Murrell,2014). According to Sthapit and Ghale, there is a significant connection between training and development and training content and delivery process (Sthapit & Ghale,2018).

Hypothesis 2: There is a significant relationship between training content and delivery (TCD) and employee performance.

2.3 Training-reward Linkage

Employees who receive frequent training can perform their tasks efficiently and effectively with greater interest and enjoyment. Growth and productivity are directly impacted by employee training (Chaudhary & Sharma, 2012). Employees may be interested if they think training will help them to make their careers and development. Non-financial factors, such as training, have a considerably greater impact on employee motivation compared to financial factors (Hossain&Hossain,2012). Training and reward had significant and positive relationships with employee performance (Saraih, Mariadass, Abashah & Mutalib, 2021).

Hypothesis 3: There is a significant relationship between training-reward linkage (TRL) and employee performance.

2.4 Employee Performance

Training is an effective tool to prepare or push employees to improve their performance. Performance appraisal systems are commonly used by businesses to assess an employee's skills and productivity. High levels of employee performance are associated with positive customer perceptions of service quality, while poor performance is linked to increased customer complaints and brand switching. Employee performance is the outcome of both ability and motivation (Diamantidis & Chatzoglou,2019). In essence, employee performance reflects how well individuals can manage and execute their tasks to meet the quality and service expectations set by their employers (Olaniyan & Lukas, 2008). The significance of effective employee task management is underscored, and it is emphasized that performance is influenced by the time and effort individuals invest physically and mentally in their jobs (Wanyama & Mutsotso, 2010). Therefore, a company's emphasis is placed on both the physical and mental presence of employees at work. Assessing employee performance is crucial for a business to identify and support individuals with subpar performance in improving their job-related capabilities. Numerous researchers who addressed performance and training discussed from a global perspective. However, this paper tries to focus on the Nepalese financial sectors, especially the Microfinance industries. To determine the overall relationship between training and employee performance, this research attempts to address all aspects of training in detail (training needs assessment, training content & delivery, and training reward linkage), emphasizing the impact of each component on employee performance.

3. METHODOLOGY

In this study, quantitative methods were used to determine the relationship between training and development (training needs assessment, training contexts delivery, and training reward linkage) and employee performance.

A total of 210 employees were randomly selected from the microfinance institutions and surveyed using a questionnaire. A well-structured five-point Likert scale questionnaire was designed and administered. Correlation and regression tools were used to determine the impact between the dependent and independent variables. Likewise, Statistical Packages for Social Sciences (SPSS) is utilized to generate descriptive statistics and establish the relationship between the dependent and independent variables. The results of the analysis are presented using different tables.

4. RESULTS

4.1 Demographic Profile of the Respondents

The demographic profile of the respondents is presented in Table 1.

Table 1 Demographic Profile of the Respondents			
	Demographic Variables	No. of Respondent	Percent
Gender	Male	153	72.86
	Female	57	27.14
Age	20-30	129	61.43
	31-40	77	36.67
	41-50	4	1.90
	51-60	-	0.00
Marital Status	Married	138	65.71
	Unmarried	72	34.29
Academic Qualification	+2	119	56.67
	Professional Course	15	7.14
	Bachelor's degree	58	27.62
	Master's Degree	9	4.29
	Others	7	3.33

Source: Field Survey, 2024

Table 1 represents the demographic profile of respondents in an opinion survey about the impact of training and development on employee performance in microfinance. Analyzing the table, 72.86 percent of the respondents are male, while 27.14 percent are female. The majority of respondents (61.43 percent) fall within the age group of 20-30, while 36.67 percent fall within the age group of 31-40, and 1.90 percent are in the age group of 41-50. There were no respondents who fell under the age group of 51-60. Similarly, 65.71 percent of the respondents are married, while 34.29 percent are unmarried. Same as, 56.67 percent of the respondents have the qualification of +2 level and 7.14 percent have professional courses. Similarly, 27.62 percent of the respondents have the qualification of a bachelor's, 4.29 have the qualification of master's and 3.33 percent of the respondents have other qualifications like CTEVT, etc.

4.2 Existing Practice of Training and Development Programs in Microfinance Institutions

The respondents' responses regarding the existing practice of training and development-related activities in microfinance are presented below:

4.2.1 Respondents Participation in Training Program

The question related to the respondent's participation in a training program in microfinance in Nepal is explained in the below Table.

Table 2 Respondents' Participation in Training Program		
Period	No. of Respondents	Percentage
Very Low	9	4.29
Low	51	24.29
Undecided	45	21.43

High	64	30.48
Very High	41	19.52
Total	210	100.00

Source: Field Survey, 2024

Table 2 provides information regarding the respondents' participation in training programs, offering a breakdown of their perceptions based on the survey. The data shows that 30.48 percent of respondents reported a high level of participation in training programs, while 19.52 percent indicated a very high level. On the lower end, 4.29 percent reported very low participation, and 24.29 percent reported low participation. Additionally, 21.43 percent were undecided about their participation in training programs.

4.2.2 Basis of Selection for Training

The question related to what basis of selecting for training was made is presented in the given Table 3.

Table 3 Basis of Selection for Training		
Basis of Selection	No. of Respondents	Percentage
Supervisor's Recommendation	14	6.67
Performance Evaluation	99	47.14
Job Requirement	80	38.10
Randomly	16	7.62
Total	210	100.00

Source: Field Survey, 2024

Table 3 shows the basis of selection for training within the surveyed drawing from a field survey conducted in 2023. The data shows that respondents' participation in training programs is predominantly influenced by performance evaluation and job requirements. Specifically, 47.14 percent of respondents reported that their participation in training is based on performance evaluation, while 38.10 percent indicated that job requirements determine their involvement in training. Supervisor's recommendation, at 6.67 percent, and random selection, at 7.62 percent, represent a smaller proportion of the basis for selection.

4.2.3 Respondents' Opinion on How Training Is Helpful to Improve Job Performance

The question related to how the training helped improve job performance is presented in the given Table 4.

Table 4 Respondents' Opinion on How Training is Helpful to Improve Job Performance

Basis of Selection	No. of Respondents	Percentage
Extremely Helpful	167	79.52
Fairly Helpful	29	13.81
Neutral	12	5.71
Not Much Helpful	0	0.00
Not at All	2	0.95
Total	210	100.00

Source: Field Survey, 2024

Table 4 presents respondents' opinions on how training contributes to improving job performance. The data indicates that a substantial majority of respondents view training as extremely helpful, with 79.52 percent expressing this sentiment. Additionally, 13.81% find training fairly helpful, and 5.71 percent hold a neutral opinion. Similarly, none of the respondents reported that training is not very helpful or not helpful at all.

4.2.4 Respondents Opinion on Training and Development Improved Job Performance Then Before

Table 5 Respondents Opinion on Training and Development Improved Job Performance

Basis of Selection	No. of Respondents	Percentage
Extremely Improve	153	72.86
Fairly Improve	40	19.05
Neutral	15	7.14
Not Much Improve	0	0.00
Not at All	2	0.95
Total	210	100.00

Source: Field Survey, 2024

The above table provides respondents' opinions on whether training and development have improved their job performance. The data shows that a significant majority of the respondents, 72.86 percent, believe that training and development have greatly improved their job performance, while 19.05 percent think it has fairly improved. Additionally, 7.14 percent expressed a neutral opinion, and none of the respondents reported that training and development had improved much or not improved at all.

4.3 Contribution of Training and Development in Employee's Performance

A well-structured five-point Likert scale questionnaire was designed and administered to all employees to measure the performance of the employees through training and development. Three different variables were used to measure employee performance which are training needs assessment, training contents & delivery and training reward linkage.

4.3.1 Training Needs Assessment

The purpose of a training needs assessment is to analyze the gap between the current capabilities of individuals or the organization and the desired skills or performance levels. Five-point Likert scale questionnaires were distributed to collect the opinions of the respondents regarding training needs assessment. The opinions of the respondents are presented in the given table.

Table 6 Training Needs Assessment

S N	Statements	SDA	DA	UD	A	SA	Mean	SD
A	My organization conducts the performance analysis to identify what skill deficiency is to be fixed by training	5	6	8	1 3 6	55	4.10	50.6 5
B	My organization provides the training program as the interest and need of me as an employee	3	8	14	1 1 3	72	4.16	43.3 6
C	My organization delivered the appropriate and relevant training program as per my need for skill enhancement.	1	8	11	1 1 9	71	4.20	45.9 7

D	My organization designs training programs based on the requirements of the job.	1	6	10	1	70	4.21	47.6
.					2			4
					3			
E	My organization developed the training plans as part of the training need assessment.	5	2	13	1	69	4.18	46.4
.					2			3
					1			
F	My organization analyses the gap between current and required	1	7	14	1	67	4.17	45.9
.					2			5
					1			

Source: Field Survey, 2024

The above table depicts positive perceptions among respondents regarding various aspects of training programs within their organization. The high mean scores and general agreement across statements indicate that respondents view their organization's training initiatives as effective, relevant, and aligned with individual and organizational needs.

4.3.2 Training Content and Delivery

It refers to the settings, methods, and approaches used to provide educational and skill-building experiences to individuals or groups within an organization. It involves creating an environment conducive to learning and selecting the most effective means of delivering training content.

Table 7 Training Contents and Delivery

SN	Statements	SDA	DA	UD	A	SA	Mean	SD
A.	My organization gives feedback on performance before and after training.	5	3	14	12	62	4.13	47.18
					6			
B.	My organization uses appropriate training layouts according to training purposes.	2	3	12	13	56	4.15	51.46
					7			
C.	My organization has the provision of evaluation of training programs at the end of the training program.	1	4	10	11	79	4.28	46.89
					6			
D.	My organization provides different training environments for different training sessions.	1	4	10	11	79	4.28	46.89
					6			
E.	Trainers manage the encouraging environments during training in the organization.	1	6	14	11	72	4.20	45.36
					7			
F.	Trainees can discuss openly at training sessions on the main issues.	6	2	9	12	72	4.20	47.17
					1			

Source: Field Survey, 2024

The above table shows the positive perceptions among respondents regarding various aspects of training content and delivery within their organization. The high mean scores and general agreement across statements suggest that respondents view their organization's training practices as effective, supportive, and aligned with the goals of

training programs.

4.3.3 Training Reward Linkage

It is the connection between training programs or initiatives and the recognition or rewards provided to individuals or teams within an organization. It involves aligning training efforts with a system of acknowledging and incentivizing employees for their participation, achievements, or improvement in skills and performance. The goal is to reinforce a culture of learning, motivate employees to engage in training activities, and recognize and reward their efforts and accomplishments.

Table 8 Training Reward Linkage

SN	Statements	SDA	DA	UD	A	SA	Mean	SD
A.	After attending the training programs, I feel my contribution towards achieving the organizational goals has increased.	7	0	7	1 0 7	89	4.29	46. 15
B.	After attending the training programs, I have found my career advancement opportunities have increased.	3	3	11	9 8	95	4.33	44. 60
C.	Training programs in my organization are highly encouraged for the promotion of the employees.	3	9	15	1 1 2	71	4.14	42. 61
D.	Each training program in my organization has a certain value in the career advancement of employees.	3	7	11	1 2 5	64	4.14	47. 07
E.	In my organization, trainees receive immediate benefits after training program	3	8	12	1 1 9	68	4.15	45. 13
F.	After attending the training program, I feel more confident for job promotion	4	3	11	1 1 3	79	4.24	45. 47

Source: Field Survey, 2024

The table replicates positive perceptions among respondents regarding the linkage between training programs and organizational goals, career advancement opportunities, and individual benefits. The high mean scores and strong promise across statements indicate that respondents perceive training as a valuable contributor to their professional development and career growth within the organization.

4.4 Employee Performance

Employee performance refers to the level of achievement, effectiveness, and productivity exhibited by an individual in the workplace. It encompasses the tasks, responsibilities, and goals assigned to an employee, and how well those are executed to contribute to the overall success of the organization. Here are key aspects related to employee performance:

Table 9 Employee performance

SN	Statements	SDA	DA	UD	A	SA	Mean	SD
A.	The training environment in the organization helped me to increase my job performance	4	2	6	125	73	4.24	49.3 8
B.	The training environment in the	2	0	9	135	64	4.23	52.1 3

	organization helped me to cooperate with other to increase job performance							
C.	Training enhances the productivity of my work performance	1	3	6	127	73	4.28	50.37
D.	Training helps me minimize errors at work and improves my overall performance	1	2	11	114	82	4.30	46.96
E.	Training increases my efficiency at the workplace.	1	7	14	114	74	4.20	44.49
F.	Training helps enhance quality of employee performance through its quality programs	3	0	11	122	74	4.26	48.31

Source: Field Survey, 2024

The above table reflects predominantly positive perceptions among respondents regarding the impact of training on various aspects of employee performance, including job performance, cooperation, productivity, error minimization, efficiency increase, and quality enhancement. The high mean scores and strong agreement across statements indicate that respondents perceive training as a valuable contributor to improving their performance in different aspects of their roles within the organization.

4.5 Relationship Between Training and Development and Employee Performance

The relationship between training and development and employee performance is measured by correlation analysis which is presented in Table 10.

Table 10 Relationship Between Training and Development and Employee Performance

	TNA	TCD	TRL	EP
TNA	1			
TCD	.894*	1		
TRL	-.755	-.871*	1	
EP	.470	.707	-.369	1

*. Correlation is significant at the 0.05 level (2-tailed).

The above table presents a correlation matrix that illustrates the relationships between training need assessment (TNA), training content and delivery (TCD), training reward linkage (TRL) and employee performance (EP). The values in the table represent correlation coefficients, which measure the strength and direction of linear relationships between variables. The correlation coefficient between TNA and TCD is 0.894, indicating a strong positive correlation. The correlation coefficient between TNA and TRL is -0.755, indicating a strong negative correlation. The correlation coefficient between TCD and TRL is -0.871, indicating a strong negative correlation. The correlation coefficient between TNA and EP is 0.470, indicating a moderate positive correlation. The correlation coefficient between TCD and EP is 0.707, indicating a strong positive correlation. The correlation coefficient between TRL and EP is -0.369, indicating a moderate negative correlation.

There is a strong positive correlation between Training Need Assessment (TNA) and Training Content and Delivery (TCD). There is a strong negative correlation between TNA and Training-Reward Linkage (TRL) as well as between TCD and TRL. TNA has a moderate positive correlation with Employee Performance (EP), indicating a positive relationship. TCD has a strong positive correlation with Employee Performance (EP), indicating a strong positive relationship. TRL has a moderate negative correlation with Employee Performance (EP), indicating a negative relationship.

4.6 Impact of Training and Development on Employee Performance

The impact of training and development on employee performance is measured with multiple regression analysis which is presented in Table 11.

Table 11 Impact of Training and Development on Employee Performance

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.221	1.683		-.131	.907
	TNA	-.864	.395	-.936	-2.188	.160
	TCD	1.437	.326	2.519	4.404	.048
	TRL	.482	.168	1.120	2.864	.103

R = 0.00963

R² = .927

Adjusted R² = .818

F statistics = 269.2

P value of F statistics: .001

a. Dependent Variable: EP (Employee Performance)

The regression model is given by:

$$Y = -.221 - .864TNA + 1.437TCD - .482TRL$$

Table 11 shows the regression output summarizing the impact of training and development (TNA, TCD, TRL) on employee performance (EP). The constant term is -0.221. This represents the estimated value of the dependent variable (employee Performance, EP) when all independent variables (TNA, TCD, TRL) are zero.

The coefficient for TNA is -0.864. The standardized coefficient (Beta) is -0.936. The t-value is -2.188, and the p-value is 0.160. The coefficient for TCD is 1.437. The standardized coefficient (Beta) is 2.519. The t-value is 4.404, and the p-value is 0.048. The coefficient for TRL is 0.482. The standardized coefficient (Beta) is 1.120. The t-value is 2.864, and the p-value is 0.103.

The overall model's multiple correlation coefficient (R) is 0.00963. The R-squared (R²) is 0.927, indicating that the model explains approximately 92.7% of the variability in employee performance. The adjusted R² is 0.818, considering the number of predictors and sample size. The F-statistic is 269.2, and its associated p-value is 0.001, suggesting that the overall regression model is statistically significant. The model as a whole is statistically significant, suggesting that at least one of the independent variables has a significant effect on employee performance. Among the individual predictors, training content and delivery (TCD) is found to have a statistically significant positive impact on employee performance. Training need assessment (TNA) and training-reward linkage (TRL) do not show statistically significant relationships with employee performance based on the provided p-values.

4.7 Test of Hypothesis

Based on objectives, the following null hypotheses have been used to validate the test.

Table 12 Test of Hypothesis			
Hypothesis	P-value	T-value	Result
H ₁	0.160	-2.188	Rejected
H ₂	0.048	4.404	Accepted
H ₃	0.103	2.864	Rejected

Hypothesis 1: There is a significant relationship between training need assessment (TNA) and employee

performance.

The coefficient for TNA is -0.864 with a t-value of -2.188 and a p-value of 0.160. The p-value for TNA is greater than the typical significance level of 0.05. Therefore, the hypothesis is rejected. In other words, based on this analysis, there is no significant relationship between Training Need Assessment (TNA) and employee performance.

Hypothesis 2: *There is a significant relationship between training content and delivery (TCD) and employee performance.*

The coefficient for TCD is 1.437 with a t-value of 4.404 and a p-value of 0.048. The p-value for TCD is less than the typical significance level of 0.05. Therefore, the given hypothesis is accepted. In other words, based on this analysis, there is a significant relationship between training context and delivery (TCD) and employee performance.

Hypothesis 3: *There is a significant relationship between training-reward linkage (TRL) and employee performance.*

The coefficient for TRL is 0.482 with a t-value of 2.864 and a p-value of 0.103. The p-value for TRL is greater than the typical significance level of 0.05. Based on this analysis, there is no significant relationship between Training-Reward Linkage (TRL) and employee performance.

The adjusted R-squared value is 0.818, indicating that the model explains about 81.8% of the variability in employee performance. The F-statistic is significant (p-value of 0.001), suggesting that at least one of the independent variables has a significant effect on the dependent variable.

5. DISCUSSION

The study aimed to explore the impact of training and development on employee performance. The study found that training and development have a positive and significant effect on employee performance. This finding is similar with previous study by Khanal(2022).The correlation matrix provides insights into the relationships between training need assessment (TNA), training content and delivery (TCD), training-reward linkage (TRL), and employee performance (EP). There is a strong positive correlation between TNA and TCD which is similar to Bhattarai (2019) and Kuruppu (2021). The strong negative correlations between TNA and TRL (-0.755) and between TCD and TRL (-0.871) indicate an inverse relationship in contrast with Daqar and Constantinovits (2021) suggesting that as organizations emphasize training needs, content delivery and the linkage to rewards diminishes. Regression analysis further explores the impact of TNA, TCD, and TRL on EP. The overall model is statistically significant (F-statistic = 269.2, p-value = 0.001), indicating that at least one of the independent variables significantly affects employee performance. The multiple correlation coefficient (R) is 0.00963, suggesting a weak linear relationship. The high R-squared (0.927) indicates that the model explains approximately 92.7% of the variability in employee performance. Results found that there is no significant relationship between Training Need Assessment (TNA) and employee performance which is similar to previous studies by Kuruppu (2021) and Bhattarai (2019) but it is not consistence with Bin Othayman & et al. (2022).

Considering H2, there is a significant relationship between training content and delivery (TCD) and employee performance, as TCD demonstrates a significant positive impact. This finding is similar to earlier studies done by Sthapit & Ghale (2018).

Regarding H3, there is no significant relationship between Training-reward linkage (TRL) and employee performance. This is not consistent with the previous study by Saraih, Mariadass, Abashah & Mutalib (2021).

6. CONCLUSIONS

This study concludes that training and development are essential to increase employee performance. However, there is no meaningful correlation between employee performance and training needs assessment (TNA) in microfinance institutions. This study concludes that any improvement in the training content and delivery for employees working in microfinance institutions will result in a positive and significant improvement in their performance regarding the relationship between employee performance and training content and delivery. Additionally, this study finds no evidence of a significant correlation between employee performance and training reward linkage for employees working in microfinance institutions.

It is not sufficient to train employees if their managers are not trained as well; future research can examine the hierarchy level and determine whether training managers can also affect their performance as well as the performance of the entire organization. Future research may also examine the training received by managers and employees to determine which has a greater impact on the organization's performance and should receive more attention.

7. AUTHOR CONTRIBUTIONS

1. Conceptualization: Rabin Subedi, Amiya Bhumik, Surendra Neupane
2. Data curation: Rabin Subedi, Surendra Neupane
3. Formal analysis: Rabin Subedi, Surendra Neupane
4. Funding acquisition: Rabin Subedi

5. Investigation: Rabin Subedi, Surendra Neupane
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