

## **ON-THE-JOB TRAINING AND CUSTOMERS SATISFACTION OF COMMERCIAL BANKS IN RIVERS STATE**

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### **ABSTRACT**

*The objective of this study was to examine on-the-job training and customers satisfaction in commercial banks in Port Harcourt, Rivers State. Primary and secondary sources were used for data collection and analysis using frequency distribution tables, mean scores and standard deviation. The population of the study was 300 top level and middle level managers. The Taro Yemini formula was used to determine the sample size of one hundred and seventy two (172). A total of 38 structured research items were designed and distributed to top and middle level managers of these banks in order to elicit responses from them. Methodology adopted was quantitative, descriptive and correlational research design. Again, structured questionnaire with 4 modified Likert scale was used as main source of data collection. Thereafter, mean and standard deviation were used to answer the research questions whereas Pearson Product Moment Correlation Coefficient was used to analyse the hypotheses with the aid of Statistical Package for Social Science (SPSS). It was also found that performance of these commercial banks largely depends on how adequate they develop their human capital through different kinds of training, orientation and development given to them such on-the-job training. It was our candid recommendation among others, that directors and managers of banks should periodically organize training, workshops, seminars and conferences to equip their staff with the relevant skills and aptitudes to be brought to bear on the corporate performance of their organisation.*

***Keywords: On-The-Job Training, Customers satisfaction, Human Capital Development***

### **INTRODUCTION**

Effectiveness of organisations is solely determined by the caliber of human resources in that organisations. It is unfortunate that majority of organization, mostly those in financial sector pay lip service to development of their human resources. This negligence has hindered the progress and productive capacity of the organisations. However, most firms have embraced the notion that human capital has a good competitive advantage that will enhance higher performance of their organisations. The advent of information and communication technology has however given a great impetus to development of manpower by organisations in recent years. It is believed that training workers on these digital techniques will go a long way for organisations to achieve optimal performance. Human capital development becomes a part of an overall effort to achieve cost-effective and firm performance. It becomes imperative that firms need to understand that development of their human resources can enhance employee satisfaction and improve performance of organisations, with particular reference to banks in Rivers State. The

effectiveness of other resources at the disposal of any organization is activated by the skilled human resources in such an organization. Human capital is the most valuable asset that is utilized for the achievement of corporate goals and objectives of organizations if properly equipped with the relevant skills, knowledge, aptitude, abilities and attitude. It is an attempt to make human capital more useful for organizational effectiveness that informed the choice of human capital development and organizational performance as the topic under investigation.

To develop a competitive advantage, it is important that firms truly leverage on the workforce as a competitive weapon. Firms seek to optimize their workforce through comprehensive human capital development programmes not only to achieve business goals but most importantly for the long term survival and sustainability of the organization. To accomplish this, firms will need to invest resources to ensure that employees have the relevant knowledge, skills, and competencies they need to work effectively in a rapidly changing and complex environment (Marimuthu, *et al.*, 2009). Organisations, particularly financial institutions are yet to formulate strategies aimed at improving their human capital base and enhancing their productivity. This is the gap we want to fill – by investigating how this has been a problem, and then recommend solutions aimed at ameliorating any likely shortcomings on the part of the organisations. Human capital development therefore represents the act of improving the human resources in the organization, the combined intelligence, skills, aptitudes and expertise which are harnessed to improve employee performance and organizational growth (Bontis, 1999). The human elements of the organization are those that are capable of learning, changing, innovating, creating and adding value for organizational performance which if properly combined and motivated can ensure the long term survival of the organization.

### **Research Hypothesis**

H<sub>01</sub>: There is no significant relationship between on-the-job training and customer satisfaction of commercial banks in Rivers State.

### **On-the-job training**

On-the-job training refers to a structured or non-structured system of training that occurs in the workplace (Rothwell and Kazanaz, 1994). It may also be called job instruction training. On the other hand, on the job learning (OJL) is a knowledge learned on the job without assistance; what the learner does on his/her own to gain information and skills on the job. This is not structured and usually happens without a trainer or organizational control. Unstructured on-the-job training is a more informal system of job shadowing where the trainee follows the trainer around and either observes the work or performs the work.

However, Edem (2019) describes on the job training as a planned, structured training carried out at the trainees workplace. The trainings sometimes happen in specific on-sit areas other than the trainee's office. It is a training carried out to bridge identified performance gaps of employees and it is done mostly in-house during working hours and in the company's premises. In this respect, the work itself becomes an integral part of the training provided (Bass. 1989, Tews and Tracet, 2008).

The modern era is witnessing rapid changes in the domain of information technology. This change is eventually responsible for evolving economic and political structures which

define the trends in modern global environment. Consequently, this leads in promoting the concept of globalization and also aids in restructuring the businesses. Top level practitioners are responding to these changes by focusing more on organizational and human resource performance and consider it as a vital tool for achieving both long-term and short-term organizational aims and objectives. For any modern enterprise, human resources (HRs) are considered one of the most valuable company assets, since there is a very strong nexus between effective human resource management (HRM) practices and subsequent organizational performance (Purcell et al., 2003) cited in (Bouris and Sahinidis, 2007).

Training and development is important for the maintenance of the human resource base of the organization and must be viewed as an integral part of the core organizational strategy, rather than an ad hoc operation issue. (Rowley, 1995). A lack of training results in a lack of skill to use the knowledge existing in a person, which causes ineffective services, a lack of self-satisfaction, customer dissatisfaction and ensuing lower productivity, profitability and decreased customer patronage. The provision of training will foster an increase in professionalism and further exploitation of management methods, whereas a lack of training can cause frustration and lack of job satisfaction (Pugh, 1984). Well-trained individuals know the scope, expectations and depth of their jobs and will be able to add building blocks to their professionalism as they progress through their careers. Training is therefore critical for human resource planning and development. Without a regular flow of up-to-date knowledge, the organization and individual will both remain stagnant. Pantry further emphasizes the need for continuous updating of skills learned from starting the career. Since some skills may become redundant, she advocates training, retraining and training again. For effective training, it is very important to have some check and balance to measure its effectiveness. In this way both the trainee and the trainer benefit. Knowing that someone is watching one's progress, a trainee is always concerned about proving himself/herself most capable and satisfying the trainer. Participants themselves acknowledged that when they know there is no appraisal system to measure the after effects of the training, they do not put much effort into achieving their best potential. This signifies that training programs and the impact of training need to be evaluated from time to time to ensure training contributes to increased effectiveness. In recent times, organizations throughout the world have begun to realize the potential benefits associated with effective human resource strategies and have thus decided that focusing their attention towards these strategies can ensure firm's superior efficiency and effectiveness (Guest, 1997). Training is generally considered as tool which is used to enhance individual skills, knowledge and abilities of a resource, and to enable that person to understand certain aspects of business. Need for a training program arises whenever there is a gap between the desired and actual performance of the employees and the organisation at large. Modern organizations have realized the importance of human capital development (HCD), and have begun to use on-the-job training as a tool for increasing their performance. (Bouris and Sahinidis, 2007), not only for the apparent but also the hidden needs of their employees.

### **Customer Satisfaction**

Corporate performance of organisations is primarily a function of how satisfied the customers are in relation to the services and products they offer to the public. It may not be out of place to state here that customers are the soul and heart of every business.

Business slogans always say that the customer is king. Ignore the customer; you have relegated the survival and corporate aims and objectives of the business to the background.

Customer satisfaction, a term frequently used in marketing, is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals. It is seen as a key performance indicator within business and is often part of a balanced scorecard. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. Within organizations, customer satisfaction ratings can have powerful effects. They focus employees on the importance of fulfilling customers' expectations. Furthermore, when these ratings dip, they warn of problems that can affect sales and profitability. These metrics quantify an important dynamic. When a brand has loyal customers, it gains positive word-of-mouth marketing, which is both free and highly effective. Therefore, it is essential for businesses to effectively manage customer satisfaction. To be able to do this, firms need reliable and representative measures of satisfaction.

It is a measure of how satisfied a customer is with a product, service, or experience. Courtney Gupta, (2022) Customer Service Enthusiast

It does have a positive effect on an organization's profitability, because satisfied customers form the foundation of any successful business as this leads to repeat purchase, brand loyalty, and positive word of mouth. Customer satisfaction information, including surveys and ratings, can help a company determine how to best improve or change its products and services. We see customer satisfaction as a term used to describe a scenario when an exchange meets the needs and expectations of its user. It captures the provision of goods or services that fulfill the customer's expectations in terms of quality and service in relation to the price paid. Customer satisfaction, as a business term, can also be used to measure how the supply of products or services surpasses customer expectations (Harvard Business Review, 2007). Satisfying the clients or customers should be the main focus of an organization because customers drive business. Collecting customer satisfaction data can help your company determine what is working well with your products, services and internal processes, and what you need to improve or change completely. <https://www.indeed.com>, Career Development (2021). An organization's main focus must be to satisfy its customers. This applies to industrial firms, retail and wholesale businesses, government bodies, service companies, nonprofit organizations, and primarily to banks who has a chunk of impatient customers always itching to be attended to timeously and effectively and every other subgroup within an organizations.

### **On-the-Job Training and Customers Satisfaction**

On-the-job training (OJT) is a critical component of human capital development that significantly impacts the performance of commercial banks. It involves equipping employees with the necessary skills and knowledge through hands-on experience within their work environment. This form of training ensures that employees are better prepared to handle real-world banking operations, thereby enhancing organizational performance. OJT allows employees to learn practical applications of their roles, adapt quickly to changes, and improve their efficiency in delivering financial services (Noe, 2020).

One way OJT enhances organizational performance is by improving employee competency and productivity. Employees who undergo regular, role-specific training are more adept at managing customer interactions, processing transactions accurately, and identifying risks, all of which contribute to operational efficiency. Additionally, OJT fosters employee engagement and satisfaction, as it demonstrates the organization's investment in their professional growth. Engaged employees are more likely to remain loyal, reducing turnover rates and associated recruitment costs, which positively impacts overall performance (Armstrong & Taylor, 2020).

In the context of commercial banks, OJT also enhances customer service quality, a key determinant of competitive advantage. Trained employees are better equipped to offer personalized financial solutions, handle complex queries, and resolve issues efficiently, leading to improved customer satisfaction and retention. Moreover, OJT prepares employees to adapt to technological advancements in banking, such as digital platforms and automated systems, ensuring the bank remains competitive in a dynamic industry (Chiaburu & Tekleab, 2005). The relationship between OJT and organizational performance is both significant and positive. By providing employees with practical training opportunities, commercial banks can enhance employee productivity, improve customer satisfaction, and achieve sustainable growth. OJT is thus a strategic investment that aligns employee capabilities with organizational goals.

### **Human capital theory**

Human capital theory, initially formulated by Becker (1962) and Rosen (1976), argues that individual workers have a set of skills or abilities which they can improve or accumulate through training and education. This theory posits that human beings can increase their productive capacity through greater education and skills training. Critics of the theory however argue that it is flawed, overly simplistic, and confounds labor with capital.

Becker in his theory defines human capital as activities that influence future monetary and psychic income by increasing resources in people (Becker, 1994,11), and its main forms are schooling and on-the-job training although he also considered medical care, migration and searching for information about prices and income. The human capital theory views training and development of employees as an investment and is based on labour markets, education, and economic growth. In concurring to the works of Becker, Sweetland, (1996) assumes that education helps develop skills of work, that is, improves the capacity of the worker to be productive.

#### **General and specific human capital**

In his original model, Becker (1964) distinguishes between general and specific human capital. General human capital is defined to be not only useful with the current employer but also with other potential employers. In contrast, specific human capital increases the productivity of the worker only in his current job. Empirically, it is difficult to distinguish between general and specific training. Loewenstein and Spletzer (1999) try to overcome this problem by directly asking employers whether they assess the provided training to be general or specific. Mincer (1962) notes that more than half of total expenditures on education are investments in on-the-job training. Parsons (1974) distinguishes these three major components of education costs. Bloch and Smith (1977) find a positive correlation of human capital and labor market employment. Also Mincer (1989) states that the probability of being unemployed decreases with the amount of education. Rosen (1983) suggests increasing rates of return in the utilization of human capital due to fixed

investment costs independent of the degree of utilization. This induces private incentives for specialization, i.e. to use one type of human capital as intensively as possible. Hence, each individual has a comparative advantage for a certain occupation that uses the accumulated skill most intensively. Parsons (1974) notes that this firm-specific human capital is analytically equivalent to transfer costs for adjusting. In competitive labor markets, where workers receive wages equal to their marginal product, firms cannot recoup investments in general skills, which implies that they refuse to pay for general training. This hold-up problem arises due to incomplete contracts which means that one party (that is. the employer) pays the costs of the investment in human capital, while another party (i.e. the worker) shares in the return (Acemoglu and Shimer (1999)). However, workers themselves have the right incentives to invest in general human capital because they are the sole beneficiaries of their increased productivity (either with their current or with future employers).

## METHODOLOGY

The study adopted a Correlational research design. The population of the study comprises of twenty three (23) commercial banks in Rivers State. The justification for the choice of 23 commercial banks was based on the bank's age. The sample size is one hundred and thirty eight (138) drawn from the population using Census sampling technique. The instrument was a self-structured questionnaire. The data which was gathered from the field was analyzed in three main levels: The primary, the secondary and the tertiary level. All tests for the study was carried out using the Statistical Package for the Social Sciences (SPSS) version 25.

## Results

### Correlations between On-the-Job Training and Organizational Performance

			On-the-Job Training	Customer Satisfaction		
Spearman's rho	On-the-Job Training	Correlation Coefficient	1.000	.428	.924	.608
		Sig. (2-tailed)	.	.000	.003	.001
		N	132	132	132	132
	Customer Satisfaction	Correlation Coefficient	.428	1.000	.017	.007
		Sig. (2-tailed)	.000	.	.845	.936
		N	132	132	132	132
		Correlation Coefficient	.924	.017	1.000	-.128
		Sig. (2-tailed)	.003	.845	.	.144
		N	132	132	132	132
		Correlation Coefficient	.608	.007	.128	1.000
		Sig. (2-tailed)	.001	.936	.144	.
		N	132	132	132	132

Source: Survey Data via SPSS, 2024

Table above presents the Spearman's correlation analysis between on-the-job training and organizational performance metrics, including customer satisfaction, growth, and profitability.

**H<sub>01</sub>:** There is no significant relationship between on-the-job training and customer satisfaction of commercial banks in Rivers State.

For **H<sub>01</sub>**, the correlation coefficient between on-the-job training and customer satisfaction is **0.428**, with a p-value of **0.000**. This indicates a moderate positive and statistically significant relationship, leading to the rejection of the null hypothesis (H<sub>01</sub>), as on-the-job training significantly impacts customer satisfaction.

## **CONCLUSIONS**

Conclusively, the analyses, interpretations and findings equally pointed that on-the-job training has a strong positive relationship on customer satisfaction. The conclusion of the findings indicated that human capital development is inevitable tool to enhance organisational performance, self-reliance and overall economic growth and development of the nation.

## **RECOMMENDATIONS**

1. The leaders and managers should use democratic leadership technique to train their employees and motivate them to put in their best for the effectiveness of the organisation.
2. The directors and managers of financial institutions should periodically organize workshops, seminars and conferences to orientate their employees on the ethical standard of the organisation to enhance moral principles, integrity and trustworthiness of the employees to the stakeholders and for effective and quality service delivery to their customers.
3. The employees should be ready to embrace on-the-job training and off-the-job training as a measure to self-reliance and organisational effectiveness.

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