

Organizational Trust as a Mediator in the Relationship of Training & Development and Organizational Performance: An Evidence from HEI's of KP, Pakistan

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Abstract

A business can only advance with ongoing personnel training and development in today's fiercely competitive environment. An organization's actual outputs or outcomes are referred to as its performance compared to intended results (or goals and objectives). In this study, organizational Trust (as a mediator) is compared to organizational performance (OP) and Training development (TD) at higher education institutions (HEIs) in southern KP, Pakistan. With instructors serving as respondents, the current study seeks to determine how Training and development (TD) impacts organizational performance (OP) in higher educational institutions (HEIs) in the Southern region of KP, Pakistan. We also examined how organizational Trust impacted the relationships between the independent and dependent variables. Three hundred twenty-two respondents were chosen using stratified random sampling from the public and private higher educational institutions (HEIs) in the Khyber Pakhtunkhwa (KP) southern region. Through a closed-ended questionnaire, the respondents (teachers) provided the data. Using SPSS, the validity and reliability of the results were examined. The results show that all three hypotheses are correct. Simple linear regression was used to estimate and test the connection between these variables. The findings showed that Organizational Performance (OP) is positively and statistically significantly impacted by Training and development (TD) and Organizational Trust (OT). The mediator organizational trust (OT) also mediates the statistically significant relationship between Training and development and organizational success. Finally, some exciting recommendations are given for HEI policymakers. The researchers also make some suggestions for additional research projects based on the current study's findings.

Keywords: Training & Development, Organizational Trust, Organizational Performance, Faculty Members & HEIs.

Introduction

People are considered as organization's most precious resource (Mahapatro, 2022), whereas, training is the most crucial part of HRM when maximizing its utilization. Whether on the job or not, within the office or outdoors, it can happen in various contexts. Increased networking opportunities, industry knowledge, and information are all benefits of Training (Wang et al., 2021). Vidyavihar (2019) defines *Training* as a process where non-managerial individuals or staff members acquire information and skills for specific purposes over a short time, utilizing

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a systematic and structured method. According to the researcher's study (Iftikhar et al., 2009), Training and development, the most valuable factor of HRM practices, is a crucial activity for enhancing the performance of organizations in the health sector. The outcome is an increase in the organization's performance. Organizational performance is a critical and significant factor in heightening an organization's overall success, according to Qaiser Abbas and Sara Yaqoob. Training and performance are linked together, even though management, skill level, and job satisfaction affect an organization's success (Chris Amisano, 2010). It demonstrates the importance of employee performance to the success of the business and the value of training development for employees to enhance their performance for the betterment of the organization. Therefore, this study aims to show how organizational performance is impacted by training development.

Furthermore, the performance of an organization is primarily an amalgamation of several traits that, when put together, result in the organization's overall performance. Every organization aspires to accomplish its predetermined goals while mainly focusing on how it can continue to maintain its survival and profitability (Matthew, 2004). Effectiveness and efficiency are critical factors in organizational efficiency, which suggest an organizational capacity to meticulously administer every aspect of the resource allocation concerning its accessibility and utilization (Kumar & Gulati, 2010). According to the literature, organizational success is derived from organizational effectiveness. In organizations, efficacy is seen as a crucial consideration when making decisions for the betterment of the organization. Effectiveness refers to achieving results, and in order to do this, organizations must develop long-term strategic planning based on their own needs and the efforts of their workforce (Alinaitwe et al., 2009)—organizational Trust works as a mediator in the current investigation between Training & development and organizational performance. According to past studies, organizational Trust is critical in the relationship between these two factors. On this subject, Pervaiz, Imran, Arshad, Haq, Mobeen, and Khan (2014) did research. They discovered that Trust is a big problem in relationships between coworkers, workers and managers, and workers and supervisors. According to past research, Trust enables businesses to employ the current resources more effectively and efficiently when HRM methods are used. This article presents two perspectives on Trust; one investigates how Trust affects people and organizations, while the other considers how strong or weak the ties between the two factors (Lazim & Perlis, 2016). Like this, Trust manipulates how many factors (predictors and criterion) relate to one another. Trust is always beneficial to organizations in achieving effective outcomes for their operations. Therefore, according to Hassan, Toyman, Semerciöz, and Aksel (2012), Trust is the most significant element in predicting organizational effectiveness. The answers to the following queries help the researcher decide on this essential topic for the current investigation.

RQ1. Is there any relationship between Training and development and organizational performance?

RQ2. Is there any association of training development with organizational Trust?

RQ3. Is there any relationship between organizational Trust and organizational performance?

RQ4. Does organizational Trust mediate the association of training development with organizational performance?

Research Objectives

To make the study logical and methodological, the researcher framed the following objectives for the present study:

1. To examine the association of training development with organizational performance.
2. To check the relationship of training development with organizational Trust.
3. To investigate the association of organizational Trust with organizational performance.

4. To examine whether organizational Trust mediates the association of training development with organizational performance.

Literature Review

Training and Development

Employee training development is one of the most disruptive topics at the time because it benefits organizations in various ways, according to Raza (2015, as referenced in Mohammed Sani et al., 2018). Specific staff or workers are required to do regular maintenance and business operations. It will only be possible if the staff members receive the required Training and development. Abiodun (2010, referenced in Butali & Njoroge, 2017) defined *Training* as the intentional development of knowledge, abilities, and attitudes that enable workers to accomplish their assigned responsibilities in a specific period. Employee training and development are the two most essential management components. Development includes educational programmes that support employees' personal growth. Such opportunities do not have to be limited to improving workers' performance in their current positions. While development has a long-term focus to help the employees prepare for future work needs, Training has a short-term focus to help cover any skills gaps that may already exist in the workforce (Bernadin & Russell, 2013).

In order to build an employee's capacity to achieve the intended goal, Training entails developing ways to provide access to various learning approaches (Burhan et al., 2021). Development seeks to understand how things work and future concerns rather than just existing procedures generally, in contrast to Training, which is already underway and includes every staff member's duties. It also continues for a more extended period. With prior Training, it can be easier for someone to perform successful on-the-job Training (Thomas et al., 1997). Compared to untrained employees, Training improves workers' performance (Partlow, 1996; Tihanyi et al., 2000; Boudreau et al., 2001). Any organization that wishes to achieve its overall objectives more successfully needs to invest in Training (Flynn et al., 1995; Kaynak, 2003; Heras, 2006). The effectiveness of the organization as a whole is improved by training development (Shepard, Jon et al., 2003). Although it is expensive to train staff, it ultimately pays off (Flynn et al., 1995; Kaynak, 2003; Heras, 2006).

Businesses' workforces must have the necessary efforts, skills, and knowledge to handle their organizational responsibilities and reach higher levels of achievement and success (Singh & Dangwal, 2017). Therefore, Training and development significantly affect how effectively a company works. In order to maintain their competitiveness in challenging and varied environments, organizations must also emphasize managing human resources through efficient training and development opportunities (Susomrith et al., 2019). According to Asfaw1, Argaw, and Bayissa (2015), Training helps by giving employees a chance to manage both personal and administrative responsibilities that are relevant to organizational performance. The trained faculty is anticipated to deliver improved outcomes, resulting in the best organizational performance and success (Asfaw1, Argaw & Bayissa, 2015).

Organizational Performance

According to Garavan et al. (2020, as quoted in Abdul Rauf et al., 2020), organizations affect a country's social, economic, and political growth. In particular, because of this rationale, nearly six Nobel prizes have been given out in the past 22 years to scholars who have focused on analyzing various organizations and institutions. The most crucial indicator in management studies may have been organizational performance, a critical component. In contrast to the implication of degree of performance, which had a universal meaning, the performance assessment was sector- and industry-specific, making it challenging to determine and access employee performance.

According to Hickman and Silva (2018, as mentioned in Nadeem Khalid et al., 2019), every management strategy revolves around the organization's performance. Many businesses consider various opportunities to maintain and improve organizational performance. Adeyi and Okere (2018) also pointed out that organizational performance depends on management, knowledge and job satisfaction. It underlines how important it is for employees to perform well to increase an organization's success; as a result, Training and development (T&D) is advantageous for employees to raise their performance levels. As a result, training and staff development are required because this can only be done if the employees are productive at their jobs.

When each individual is focused on gathering the knowledge required to accomplish the goals with the least amount of work and resources permitted by the organization's standards, organizational performance results, all long-term initiatives that support cooperative management, positive workplace behaviour, and employee engagement are included in organizational development. An organization can function effectively with a robust development strategy (Burhan et al., 2021). Performance significantly contributes to total organizational accomplishment because it is the only long-term survival and development success factor. Organizations must focus on performances from numerous dimensions to ensure the effective presentation of the efforts to pursue organizational objectives (Delery & Gupta, 2018). For the benefit of both the organizations and the employees, the organization must devise long-term, successful plans prioritizing employees' and organizations' needs (Mehmood et al., 2017). Employees must fully participate in organizational development through their efforts and capacity to realize the intended goals more fully. In order to foster their employees' self-confidence and motivate them towards the organizational goals, organizations must also preserve their competitiveness by putting the intended strategies for their welfare and well-being into practice.

Organizational Trust

Organizational Trust mediates in the current study between HRM practices and organizational performance. Organizational Trust is crucial in the interaction between the two ideas-related studies. Pervaiz, Imran, Arshad, Haq, Mobeen, and Khan (2014) conducted a study on this topic. Similar findings were made by Hassan, Toyman, Semerciöz, and Aksel (2012), who discovered that organizational Trust enhances the significance of the link between training and development practices and performance. Since it specifies how an organization behaves towards its employees, organizational Trust is essential for all organizations since it helps them keep their competitive advantages. For instance, In their current study, Onyeizugbe et al. (2018) looked at the connection between organizational Trust and organizational performance. They found a significant correlation between these two variables, demonstrating a link between higher levels of organizational Trust and improved organizational performance, which ultimately has sound effects on the firm. These studies provide empirical evidence that organizational Trust partially impacts work performance. Examples of such research include those by Buenaventura-Vera and Gudziol-Vidal (2020), Li et al. (2018), and Li et al. (2007). For organizations involved, Trust is essential since it aids in identifying the practices that make it difficult for them to sustain repetitiveness (Celep & Yilmazturk, 2012). Therefore, Trust is a crucial indicator of the success of the workforce and, eventually, of the concerned organization. Employee confidence in the organization is boosted by Building Trust, which is essential for implementing fair policies and prioritizing employee well-being (Molden & Finkel, 2010). Employees who can be trusted to uphold critical policies in the best interests of their respective organizations are valuable assets to organizations. Without Trust, firms may be unable to implement numerous strategies that improve performance and assist in achieving their objectives. Organizational Trust is essential for educational institutions because they contribute

significantly to the nation's development. Trust drives higher education employees to preserve that confidence and put forth their best effort to attain the institution's intended ranking because they are more focused on institutional policies and strategies (Xiao et al., 2010). Trust affects how employees feel about institutional long-term goals because teachers at institutions are more focused on their advantages and privileges, which are supported by suitable and fair promotions, which results in higher levels of performance (2000) Ellis, Winograd, and Shockley-Zalabak. The institutions are concerned with the welfare of the employees, and to gain sustaining institutional credibility in competitive conditions, the institutions are struggling for it. In contrast, the employees are concerned with the institutional status and long-term goals (Chiva & Mallén, 2013). Therefore, implementing fair policies is of more interest to educational institutions in order to foster employee confidence and Trust.

Research Hypotheses

The following hypothesis and theoretical framework are the results of a literature review.

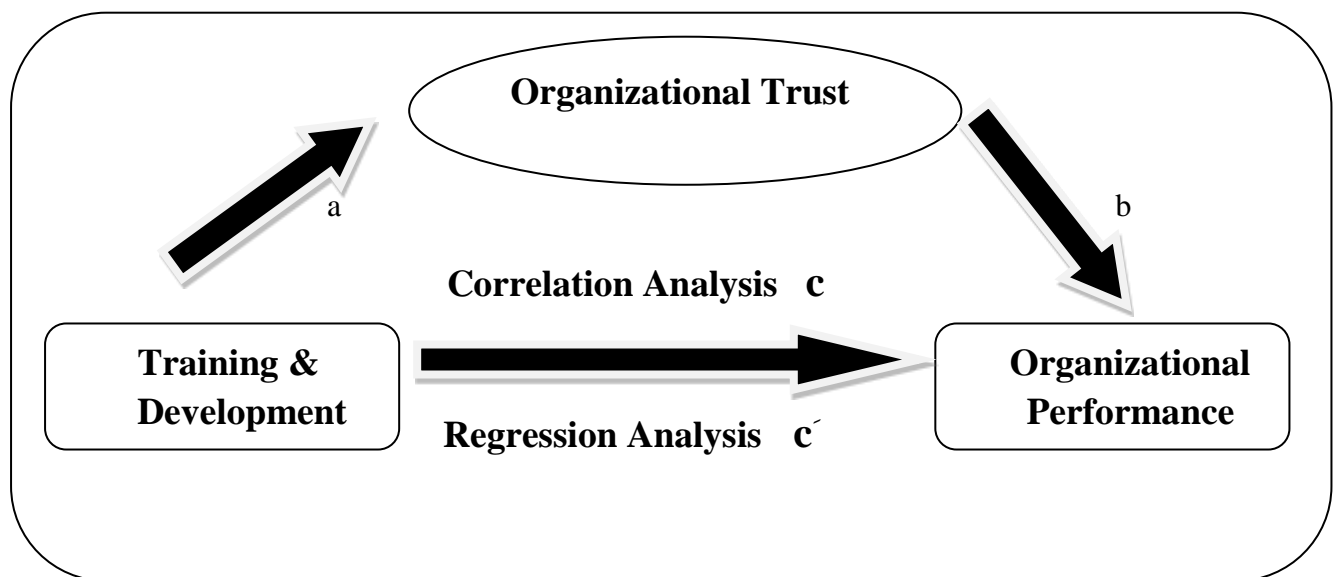
H1: Training & Development (TD) is significantly and positively associated with organizational performance (OP).

H2: Training & Development (TD) significantly relates to organizational Trust (OT).

H3: Organizational Trust (OT) is significantly and positively associated with organizational performance (OP).

H4: The relationship between an Independent Variable Training and development (TD) and Dependent Variable Organizational Performance (OP) is mediated by the Mediator Organizational Trust (OT).

Figure 1: Theoretical Framework



Methodology

The population of the research consisted of the academic staff of all KP institutions, including public and private. According to HEC data, there were 3112 faculty members throughout all KP institutions. The data were gathered from 330 faculty members using a stratified random sampling technique. Two components make up the questionnaire.

Measures

Data collection involved the use of a survey questionnaire. Organizational performance was evaluated by Delaney and Huselid (1996), Organizational trust was adopted from Vitotto,

Argentoro and Bromiley (2008), and Training & Development were evaluated by Dyer and Reeves (1995). The Likert scale, which ranges from strongly disagree to strongly agree, was used.

Data Analysis and Results

The gathered data was analyzed through applying various statistical tools like descriptive, scale reliability, correlation and mediation analysis to get empirical results for present study. Results revealed are presented as under

Table 1: Descriptive and Correlation matrix

	Mean	SD	Cronbach's Alpha	TD	OT	OP
TD	4.1123	.52576	0.763	0.709		
OT	4.7643	.57643	0.879	0.821**	0.789	
OP	4.5432	.62134	0.798	0.614**	0.642**	1

** Significant at $p=0.05$

In the above Table 1, the first three columns show the mean, standard deviation and cronbachs' alpha values for present study constructs. All the derived values lies in the acceptable ranges. The next three column shows the correlation values among study variables. Here it can be observed that both the Training & Development and Organizational Trust are significantly positively associated with Organizational Performance ($\beta=.614$, $p=.000$), ($\beta=.642$, $p=.000$) respectively in the present study context. Results also revealed a significant positive association of Training & Development with Organizational Trust ($\beta=.821$, $p=.000$). Hence, hypothesis 1 to hypothesis 3, all are accepted.

Figure 2: Mediation Analysis

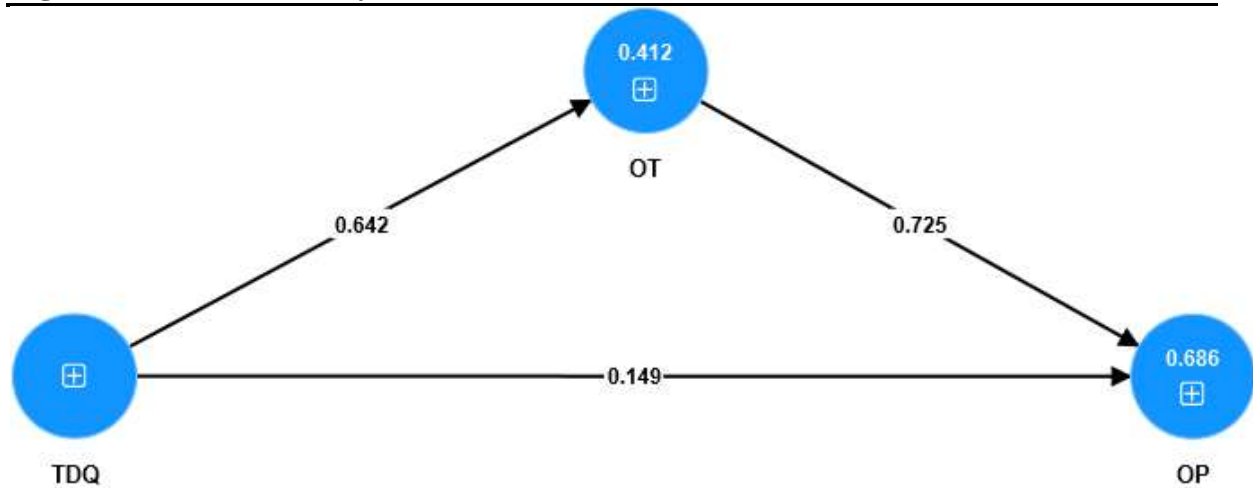


Table 2: Mediation Results

Hypothesis	Relationship	B	T value	P value	Decision
1.	TD \longrightarrow OT	0.149	3.542	0	Accepted
2.	OT \longrightarrow OP	0.642	17.476	0	Accepted
3.	TD \longrightarrow OP	0.725	19.038	0	Accepted

Indirect Effect

4.	TD → OT → OP	0.465	12.948	0	Accepted
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In the current study, table 3 shows the mediation results. It can be observed that path a, leading from Training & Development towards Organizational Trust, is significant ($\beta=0.149$, $p=.000$). Similarly, path b, leading from Organizational Trust to Organizational Performance, is also significant ($\beta=0.642$, $p=.000$). The direct path, i.e., path c, from Training & Development towards Organizational Performance is also significant ($\beta=0.725$, $p=.000$). Furthermore, the path c' i.e. incorporating the mediating effect of Organizational Trust between the relationship of Training & Development and Organizational Performance is also significant ($\beta=0.465$, $p=.000$). Hence the H4 hypothesis of the study, which demonstrates the mediating effects of Organizational Trust between Training & Development and Organizational Performance is also significant and accepted.

Discussion and Conclusion

This study aimed to assess the mediating role of organizational trust to understand better the relationship between faculty members' training and development and organizational performance in Southern KP, Pakistan's higher education institutions (HEIs). For this purpose, 330 faculty members working in different higher educational institutions in KP, Pakistan, were surveyed. The questionnaire was used as a data collection instrument. The collected data was then analyzed using various statistical tools to obtain empirical results. The results revealed a strong correlation between faculty members' organizational performance and training and development in higher education institutions (HEIs) in KP, Pakistan. These findings align with the previous results of Ismael, Othman, Gardi, Hamza, Sorguli, Aziz and Anwar (2021) in their study.

In conclusion, how well-trained personnel are perceived will influence organizational performance. Because a trained team is more likely to share the organization's goals and values, to want what is best for the organization, and to exhibit the best examples of organizational citizenship behaviour. That is, the inner motivation of a worker to go above and beyond what is required by the organization. As for the faculty members of Higher Education Institutions (HEIs) in the Southern Regions of KP, Pakistan, the data obtained indicates a positive significant relationship between training development and organizational trust that aligns with the findings of Rahman, Sambasivan, and Wong (2013). Additionally, the data confirm the findings of Mayer, Davis, and Schoorman (2021), Huang, Martin, and Huang (2022), and Loughry, Ohland, and Moore (2022) by demonstrating a positive link between organizational trust and organizational performance. Organizational trust has been founded to significantly moderate the relationship between human resource management practices and organizational success. According to Pervaiz, Imran, Arshad, Haq, and Mobeen, Khan (2014), trust is vital in supervisor-management ties, employee-supervisor interactions, and collegial relationships in organizations. According to the empirical findings of the current study, trust is unquestionably a significant motivating factor that may enhance employee performance, which in turn may enhance institutional and organizational performance among faculty members holding various positions in higher educational institutions in the southern regions of KP, Pakistan. Effective teamwork and collaboration require trust. Academics are more willing to share expertise, collaborate on projects, and work towards common objectives when they feel trusted by one another and their organization, which ultimately improves organizational performance. These findings, which contribute to the corpus of research already accessible on current topics and subjects, illustrate the common knowledge of the significance of trust and commitment in maximizing performance results.

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