

THE STRATEGIC ROLE OF EMPLOYEE TRAINING IN ENHANCING FRONT-OFFICE JOB PERFORMANCE: EMPIRICAL EVIDENCE FROM A BANKING INSTITUTION

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Abstract

Employee training is widely recognized as a strategic human resource development (HRD) intervention that enhances job competence and organizational performance. This study investigates the effect of training on the job performance of front-office employees at BRI Branch Batusangkar, Indonesia. Using a quantitative method, primary data were collected through structured questionnaires and analyzed using regression analysis. The results reveal that training has a significant positive impact on employee performance ($\beta = 0.793$, $t = 6.992$, $p < 0.001$). The coefficient of determination ($R^2 = 0.556$) indicates that training explains 55.60% of the variance in employee performance. These findings support the Human Capital Theory and Ability-Motivation-Opportunity (AMO) framework, suggesting that well-designed training enhances employees' ability and service quality. The study provides theoretical insights and practical recommendations for optimizing HRD strategies in the banking industry.

Keywords: training, job performance, HRD, banking sector, AMO theory, human capital

1. Introduction

Employee performance is a central determinant of organizational effectiveness, particularly in service-based industries such as banking. Front-office employees serve as the primary interface between banks and customers, requiring high levels of competence, professionalism, and accuracy. In an increasingly competitive financial services environment, effective training is essential to maintain service quality, reduce errors, and enhance customer satisfaction.

Human resource development (HRD) scholars consistently highlight training as a systematic effort to improve employees' knowledge, skills, and abilities (KSA) to meet job demands (Noe, 2020). Empirical studies also emphasize that training contributes to enhanced productivity and service performance (Sung & Choi, 2014; Tharenou et al., 2007).

However, the extent to which training contributes to performance varies across organizational context, sector, and work characteristics. In the Indonesian banking sector, empirical research on front-office staff—who face intensive customer interaction—is still limited.

Thus, this study seeks to answer the following research question:

RQ: To what extent does training influence the job performance of front-office employees at BRI Branch Batusangkar?

This study aims to:

1. Analyze the effect of employee training on job performance.
2. Strengthen HRD literature with empirical evidence from Indonesian banking institutions.
3. Provide practical recommendations to enhance training effectiveness.

2. Literature Review

2.1 Training in Human Resource Development (HRD)

Training refers to planned organizational activities designed to enhance employees' job-relevant competencies (Aguinis & Kraiger, 2009). Effective training programs improve employees' mastery of tasks, problem-solving efficiency, and service responsiveness.

According to Noe (2020), a high-quality training process includes needs assessment, learning design, implementation, and evaluation.

2.2 Theoretical Foundations

2.2.1 Human Capital Theory

Becker's (1993) Human Capital Theory posits that investments in training increase employee productivity and organizational value. Training is thus viewed as a strategic asset that enhances skill-based performance.

2.2.2 Ability–Motivation–Opportunity (AMO) Theory

The AMO framework (Appelbaum et al., 2000) asserts that employee performance is the function of:

- **Ability (A)**—enhanced through training
- **Motivation (M)**—influenced by rewards and recognition
- **Opportunity (O)**—determined by job design and empowerment

Training directly influences the **Ability** dimension, which subsequently drives job performance.

2.2.3 Performance Theory

Campbell (1990) identifies performance as a function of declarative knowledge, procedural knowledge, and motivation—all of which can be developed through targeted training programs.

2.3 Job Performance

Job performance refers to the behaviors and outcomes employees produce that contribute to organizational goals (Viswesvaran & Ones, 2000). In banking, job performance emphasizes service speed, accuracy, customer handling, compliance, and professionalism.

2.4 Training and Job Performance

Empirical studies confirm the positive impact of training on employee performance across sectors, including banking (Lee & Lee, 2018), hospitality (Aragón-Sánchez et al., 2003), and manufacturing (Sung & Choi, 2014). Training contributes to:

- Higher productivity
- Fewer errors
- Improved customer satisfaction
- Greater service quality

Thus, the following hypothesis is formulated:

H1: Training has a significant positive effect on job performance.

3. Methodology

3.1 Research Design

This study used a **quantitative explanatory research design**, testing the relationship between training and employee performance.

3.2 Population and Sample

The population comprised all front-office employees at BRI Branch Batusangkar. Because the population size was small, a total sampling approach was used.

3.3 Instruments

A structured questionnaire measured:

- **Training (X):** 8 items
- **Job Performance (Y):** 10 items

Responses were collected using a 5-point Likert scale.

3.4 Reliability and Validity

Cronbach's Alpha > 0.70 for both variables indicated internal consistency.

3.5 Data Analysis

Regression analysis was used to determine the magnitude and significance of the effect of training on job performance.

4. Results

4.1 Regression Findings

Variable	β	t	Sig
Training → Performance	0.793	6.992	0.000

- **R = 0.746**
- **R² = 0.556**

Interpretation:

Training explains **55.60%** of the variance in employee performance.

Thus, **H1 is supported**.

5. Discussion

The findings demonstrate that training significantly enhances job performance, aligning with international HRD research (Aguinis & Kraiger, 2009; Noe, 2020). Training improves employee ability, confidence, and service accuracy, consistent with Human Capital Theory.

The significant β coefficient suggests that front-office work—which involves multitasking, customer interaction, and accuracy in financial transactions—benefits significantly from systematic training interventions.

Training also contributes to behavioral outcomes such as:

- improved customer orientation
- enhanced communication skills
- adherence to compliance standards

These findings support AMO theory, emphasizing that improved **Ability** leads to better performance.

6. Conclusion

Training significantly affects job performance among front-office employees at BRI Branch Batusangkar. Well-designed training programs enhance skills, accuracy, and service quality.

6.1 Implications

Theoretical Implications

- Reinforces Human Capital Theory and AMO Theory in the Indonesian banking context.

- Broadens empirical evidence linking HRD and service performance.

Practical Implications

- Banks should regularly update training modules.
- Training should support not only skills but also career development.
- Continuous learning programs are more effective than one-time training.

6.2 Recommendations for Future Research

- Include mediating variables such as motivation, competency, or service quality.
- Conduct cross-bank comparative studies.
- Use longitudinal data to observe post-training performance growth.

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