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## **Training and development: challenges for strategy and managing performance in**

### **Jordanian banking**

#### **Introduction**

The fusion of what were once distinct disciplines into a global approach to HRD interventions and the particular characteristics of Arab culture in the Jordanian context framed the approach to this paper. Specifically the authors were interested in the following research question:

In what way are western notions of the strategic nature of training and development and its contribution to competitive advantage mediated by the Arab culture of Jordan? For example: the measurable outcomes derived from training and development, performance management culture, employee motivation, and the expectations of both managers and employees.

Globalization, its associated workforce diversity, and technological advancement have resulted in a widespread use of western management models and techniques. These include an emphasis on performance management and the use of HRD strategy to drive improved efficiency and effectiveness. The particular concerns and focus of this research are the HRD strategies and methods used in Jordanian banks and the success they have in influencing performance management and competitive advantage. Essentially the authors were interested in the extent to which HRD is informed by western models and the transcultural impact which this has on workplace performance within the Jordanian banking sector.

Michael Porter (1990) challenged the conventional view that comparative advantage, based on factors of production, was sufficient to explain patterns of trade. (Porter 1990:12). Porter's concept of competitive advantage in both nations and individual firms has become a key consideration in strategy formulation and implementation, particularly in a global context. Since Porter's seminal contribution, the emphasis in differentiating factors for success has shifted from access to resources to intellectual technologies. Johnson, Scholes and Whittington (2005) use the term *Dynamic Capabilities* to describe: "an organisation's abilities to develop and change competences to meet the needs of rapidly changing environments". They argue that, in stable conditions, competitive advantage might be achieved by building durable core competences, but that "in more dynamic market conditions, competitive advantage has to be developed by building the capacity to change, innovate and learn – to build the capacity for dynamic capability. And, arguably, the more such dynamic capabilities of learning become important, the more the concept of organisational knowledge ..... becomes important". (Johnson, Scholes and Whittington 2005: 133)

As global economies have become increasingly knowledge-based so the contribution of organizational learning to competitive advantage has grown. Early texts on Learning Organizations, owing much to earlier work by Argyris and others, based largely in the western world, emphasised the leverage of learning (Senge 1990) and the transformational power of learning how to learn (Pedler, Burgoyne and Boydell 1991). Over the last twenty years there has been a focus on the precise contribution which learning can make as a source of competitive advantage (Moingeon and Edmondson 1996; Starkey, Tempest and McKinley 2004; CIPD 2011a; CIPD 2011b). At the same time the Human Resource Management literature has emphasised the contribution

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which an integrated HR strategy can make to organizational success. (Marquardt and Berger 2003; Leopold and Harris 2009; Roper, Prouska and Ayuhya 2010).

Wright, McMahon and McWilliams (1994) focus on how HR practices and human capital influence behaviour and sustained competitive advantage. Mabey, Salaman and Storey (1998) discuss the benefits of integration of training and development with both other aspects of HR and with organizational strategy. Holbeche (2001) stresses the importance of creating a learning culture. Two texts from the late 1990s and early years of the present century, both titled *Strategic Human Resource Development* provide a proactive and forward-looking view of HRD (Walton 1999; Grieves 2003). Concepts of core competencies, strategic contribution, and competitive advantage became part of long-established Management Development texts (Gold, Thorpe and Mumford 2010; Woodall and Winstanley 2001; Rees and French 2010; Stewart and Rigg 2011; Harrison 2009). Once again, these are firmly based in the western context.

There has been a gradual fusion of what were once distinct disciplines – Strategic Management, HRD, Organizational Development, Organizational Behaviour and Strategic Human Resource Management – to form a coherent and theoretically grounded best practice approach to designing and implementing training and development interventions in global organizations. There can be little doubt that learning contributes significantly to organizational agility and sustainable competitive advantage (Horney and Pasmore 2010; Johanson and Voto 2013; Bennet and Lemoine 2014). Yet these interventions have been developed largely in a western context and the strands that contribute to their theoretical underpinnings – human capital theory, adult learning theory and lifelong learning, organization theory, and human resource theory – (Thomson, Mabey, Storey, Gray and Iles 2001) may not always translate easily into other contexts and cultures. There have been valuable contributions from Japan and the Middle East respectively which do consider other influences and practices (Harada 1999; Khan and Sheikh 2012), yet the western models remain as the perceived universal way in which human resources may best be developed. McLean and McLean (2001: 315) acknowledge that the field of HRD is becoming increasingly global, but they go on to say: “the majority of articles and arguments aimed towards defining the field of HRD have at least one thing in common – they are written from the North American and more specifically, the US-American point of view.”

Porter’s caveats about universal application remain: “Differences in national economic structures, values, cultures, institutions, and histories contribute profoundly to competitive success.” (Porter 1998: 19)

Any exploration of HRD needs to bear these differences in mind.

### **Jordanian culture**

National and organizational cultures have a well-established place in making international comparisons in HRD (Hofstede 1980; Trompenaars and Hampden-Turner 2012; Dirani 2006; Wallis and Triandis 2014; Karin et.al. 2014). Consequently, as Ardichivli and Kuchinke (2002) point out, culture must have a central role in international research in HRD.

Jordan, in common with other Arab countries is heavily influenced by traditions of family, tribe, village, and religion. Arab managers live and work in an environment where family and friendship are dominant values. (Muna 1980). They are status conscious and more inclined to social conformity than to creativity or innovation (Jabbara 1989). Their management styles are assertive rather than accommodating and employees are expected to adhere rigidly to instructions (Sharabi 1988). A high

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reliance is placed on social position, family influences, and personal contacts. (Barakat 1993). Large power distance combined with high uncertainty avoidance are characteristic of both society and workplace, with associated inequalities of power and wealth. A strong masculine emphasis along with a collectivist preference and a low future orientation present some challenges if Western management models are to be used (Hofstede 1980; 2001). Ali (1995) suggests that Arab socio-cultural influences shape all aspects of Arab life including managerial practices. The nature of these beliefs and values are reflected in the leadership and strategy of decision makers. (Schein 1985; Trompenaars and Hampden-Turner 2012).

The Arab culture in Jordan exerts a pervasive influence on all types of management development programmes offered (Al-Faleh 1987). Managers show a higher commitment towards social obligation and objectives than to business performance objectives. Loyalty is highly valued and may often take precedence over competence (Pezeshkpur 1978). Arab managerial practice is often described as paternalistic, authoritarian, and leading to the centralisation of decision making. In Jordan consultative styles of decision making are dominant based on one-to-one personal interactions and decisions are made in an informal and unstructured manner. (Al-Faleh 1987).

An emerging management style has been identified (Atiyyah 1993), where a combination of planned strategy co-exists with more traditional practices of nepotism. Many Arab researchers have argued that national culture has an effect on the individual, as well as on organizational performance. Socio-cultural factors create concerns for the effectiveness of transferring western management training and development programmes into Arab organizations. Although many see core Islamic values such as honesty, equality, hard work, and flexibility as being compatible with western models (Pezeshkpur 1978; Ali 1995), an understanding of Islamic culture is seen as crucial to enable the formulation of appropriate and acceptable organizational strategy (Wright 1981; Metcalfe and Mimouni 2012; Khan and Sheikh 2012). In considering socio-cultural factors which influence HRD practices in Lebanon, Dirani (2006) discusses both commonalities and cultural diversity in Arab countries. Dirani (2006:88) argues that “although several commonalities exist, differences among the Arab countries are paramount.” However, the differences between Arab countries are not as great as those between Arab countries taken as a whole and western countries from which much HRD theory has derived. There is a need both to distinguish practices in the Arab world from those in the west but, at the same time, to build up knowledge about how those practices differ between Arab countries.

In the last twenty years a substantial body of knowledge has been established concerning HRD in Arab countries perhaps as a result of scholars returning to their homelands from studies in western universities. There are, for example, studies of HRD in Morocco (Cox, Estrada, Lynham and Motii 2005), the Gulf States (Rutledge, Shamsi, Bassioni and Sheikh 2011; Metcalfe 2011), Oman (Al-Lamki 2005) and Lebanon (Dirani 2009) as well as more generally across the Middle East (Iles, Almhedie and Baruch 2012) and Asia (Cummings 1995). Two of these studies focus on the Banking Industry in Oman and Lebanon (Al-Lamki 2005; Dirani 2009). There is, however, little published about HRD or training and development in Jordan. This study provides an insight into Jordan-specific issues and adds to the general body of knowledge about HRD in an Arab context.

### **Improving performance**

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The main aims of training and development are considered to be those of increasing, improving, and enhancing employees' abilities, skills, capabilities, and knowledge; leading to increased efficiency, effectiveness, and overall increases in productivity (Armstrong and Baron 1998; Holbeche 2001; Longnecker and Fink 2005; Dirani 2009; Holloway 2009). These aims and the expected outcomes are acknowledged as desirable by both Western and Arab managers.

Training and development is seen as a crucial activity linked to HRD strategy by both practitioners and academics; it strives to ensure productivity and competitiveness with a focus on personal growth, organizational cohesion, and financial improvements. (Wright McMahan and McWilliams 1994; Moingeon and Edmonson 1996; Al-Athari 2000). Indeed, organizational learning is closely linked to competitive advantage and survival in adopting successful strategies (Porter 1998; Marquardt and Berger 2003).

The literature is less clear on the success of HR strategy in measuring outcomes derived from training and development. The impact of training may take a considerable time to show up in results (Redshaw 2000). The effects are hard to measure (Burrow and Berardinelli 2003); and linkages between cause and effect are difficult to ascertain (Yeo 2003).

The culture of performance management is well established in western business paradigms but is a relative newcomer in the Arab business culture (Muna 1980; Abdalla and Al-Homoud 1995; Ali 1995; Albahussain 2000). International cultural differences do have an impact on the motivation to perform (Herbig and Genestre 1997); and expectations of managers and employees may also differ from those enshrined in Western models (Hofstede 1980, 2001; Trompenaars and Hampden-Turner 2012; Khan and Sheikh 2012).

## **Methodology**

The research question contains two distinct elements. There is a question about the extent to which strategic approaches to training and development and their contribution to competitive advantage are evident in Jordan and a further question about how the Arab culture influences their adoption.

### ***Research design***

The research design adopted was a mixed methods approach, which used questionnaires to elicit information about the prevalence of strategic approaches and competitive advantage and semi-structured interviews to probe senior managers' views about the factors influencing this. The instruments were not as clear cut as this suggests and there was some overlap of questions, which allowed triangulation of both data collection and analysis. Cresswell (2009: 4) describes mixed methods research as combining both qualitative and quantitative forms of inquiry and goes on to say that it is "more than simply collecting and analysing both kinds of data: it also involves the use of both approaches in tandem so that the overall strength of a study is greater than either qualitative or quantitative research." In this study the mixed methods were used concurrently rather than sequentially.

A mixed methods approach can be seen as a pragmatic mechanism for deriving most benefit from both qualitative and quantitative data (Easterby-Smith, Thorpe and Lowe 2002; Saunders, Lewis and Thornhill 2003). This approach was also deemed as most appropriate as it been used previously and successfully by other Arab researchers conducting studies related to training and development management (Abdalla and Al-Houmoud 1995; Agnaia 1996; Albahussain 2000; Al-Athari 2000). The research questions are exploratory in nature; there are few previous empirical studies concerning

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the relationship between the research variables from which testable hypotheses could be drawn and; those studies, which have been carried out, have used a range of methods and resulted in conflicting findings (Albahussain, 2000; Khan and Sheik, 2012). This study does not seek to replicate any previous studies, but tries to understand the often subjective factors at play. By their nature these needed to be explored qualitatively and reinforced where possible through more quantitative data, for example in terms of organizational performance.

Using a questionnaire as the only data collection method would not have enabled complex social, behavioural and organizational factors to have been explored in detail. However, using face-to-face semi-structured interviews, complemented by questionnaires did allow such exploration whilst also ensuring adequate coverage of respondents without undue intrusion. The development of rapport, probing and clarification were possible within the interviews, whilst personal delivery and collection of the questionnaires helped to provide validity and a high response rate.

### ***Participants and sampling***

All banks operating in Jordan that were listed and licensed at the Association of Banks (Jordan) participated in this research. In total there were 22 banks, comprising fourteen commercial banks (five of these foreign), six investment banks and two Islamic banks. The study was conducted in the headquarters of the banking organizations all located in Amman. Table 1 shows the number of banks in Jordan, their age and size.

### **INSERT TABLE 1 HERE**

The whole population of banks in Jordan was investigated, but, within that population, a purposive sampling technique was applied determining the participants who would best enable the researchers to focus on the research questions. These were senior executive managers and their colleagues engaged in managing Training and Development and Strategic Human Resource Development functions. Senior managers in this study are defined as those who are on the Board of Directors or who report directly to the CEO or Managing Director. The rationale for concentrating on this group was that as key strategy makers and influencers they were considered prime stakeholders who would have a vested interest in the research (Sekaran 2003). Senior managers from fifteen of the twenty-two banks in Jordan agreed to face-to-face interviews. Questionnaires were delivered personally to a further two managers in each bank (forty-four in total) and, of these, thirty-eight were completed and returned. The fact that all the banks in Jordan were included provides more confidence in the trustworthiness of the findings. Differences between banks are more difficult to substantiate because of the small numbers involved and the possible disproportionate impact of one individual's views.

### ***Procedures***

All the fieldwork was carried out by a Jordanian National whose first language is Arabic. Personal contact was made with all organisations by means of letters of introduction, telephone calls, and preliminary visits. Face-to-face semi-structured interviews were held and self-administered questionnaires were delivered and collected personally. This was seen as satisfying the strong Arab cultural preference for any kind of business transaction to be based on personal contact (Muna 1980; Dirani 2009). In addition personally delivered and collected questionnaires have significantly higher response rates (Oppenheim 1992:103). Questionnaire design had been based on prior surveys by Arab researchers and operationalized from the research questions. The questionnaire was modified after testing on several focus groups in two sequential pilot studies comprising native speakers of Arabic and English based in international business and academia including one group of Jordanian academics. Care was taken in

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the wording and translation of the questionnaires and several bi-lingual sources were used as checking mechanisms.

### ***Instruments***

Questionnaires were designed to measure current practice, training effectiveness and outcomes, and perceived challenges. Current practice focused on: the assessment of training needs, training delivery methods, and evaluation and follow up. Training effectiveness comprised questions about the strategic position of T&D, its role in the organisation, and the effectiveness and impact of training. The third section of the questionnaire was concerned with exploring all the problems and challenges that face T&D functions and programmes in the banks. A final section was designed to collect background data on the respondents. The questionnaire contained forty questions mostly of a closed nature, but with an opportunity for respondents to comment or add issues of importance to them. The questionnaire was eight pages long, which, almost certainly, would have met with resistance in a British context but was accepted by Arab respondents in both the pilot and actual survey as reflected in the response rate (86%). In total 44 questionnaires were administered; all respondents were seen and had the opportunity to ask questions to aid clarity. 38 fully completed questionnaires were returned representing an 86% response rate.

Semi-structured interviews were used with senior managers in the banks. To provide triangulation some questions similar to those used in the questionnaires were included in the interview schedule. The interview schedule covered: the position of T&D in the organization; the significance of T&D and its outcomes; T&D problems and obstacles and; transferring skills and knowledge. Interviews, with one exception, were conducted in Arabic and lasted between one hour and two hours. The interviews were recorded and, in addition, notes were taken. Interviews took place with fifteen senior managers out of twenty two from the Jordanian banks.

The response rates to the questionnaire (86%) and to requests for interviews (68%) taken from the entire population of banks in Jordan give confidence in the trustworthiness of the findings. However, the sample was purposive as only those with intimate knowledge of T&D and performance were questioned. The impact of T&D on competitive advantage is, of course, mediated through the motivation, values and responses of those who undertake T&D. In this study there was no direct measurement of individual employees' experiences of T&D.

### ***Data analysis***

In order to achieve the objectives of the study statistical techniques were employed. These included descriptive statistics such as frequency and mean but not significance tests as the samples were purposive rather than random. Descriptive statistics helped to transform the raw data into summary tables, which were more easily understood. The nature of qualitative data implies that it cannot be collected in a standardised way and there are several strategies to deal with data collected through, for example, semi-structured interviews. The approach adopted in this study began at the data collection stage and involved the aggregation of masses of qualitative data into meaningful parts or categories. The audio recording of interviews, which was done with ready agreement of participants, allowed the simultaneous taking of notes. The data were rearranged systematically and were united or merged from different transcripts to identify key themes or patterns for further exploration.

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Because of the small number of interviewees it was not considered beneficial to employ analytical software and transcripts were coded and analysed using colour identifiers and numerical codes in a matrix. To ensure the integrity of the categories and themes identified, other researchers were asked to code a sample of transcripts. There was no substantial difference between either the themes and categories identified or the assigning of statements to these categories.

Saunders, Lewis and Thornhill (2003) state that quantifying qualitative data by using frequency tables can provide the researcher with the capacity to display large amounts of data economically and can be a useful supplement to direct quotes from respondents. Where possible, qualitative data from the analytical matrix were quantified through frequency charts. Table 4, for example, shows the perceived impact of T&D on a range of performance measures, as seen by the fifteen senior managers who were interviewed. Although the categories, being respondent-dependent, differed from those derived from the questionnaires (Table 3), they do allow for some direct comparisons to be made.

### **Summary of findings**

#### ***Current training and development (T&D) practices and management***

Although T&D is informed by Training Needs Analysis (TNA), this is by no means systematic and is often subjective. The most commonly used TNA techniques are questionnaires, interviews with employees' direct managers, and direct observation. The use of job descriptions, performance records, and specialist T&D committees is less common. Jordanian banks occasionally use performance appraisal information to determine T&D requirements. In commercial banks more use is made of performance appraisal information to inform T&D programmes. The techniques may be considered subjective because of reliance on what managers or supervisors think about employees' training needs.

Training is carried out largely externally using traditional methods. Although most Jordanian banks offer in-house training, they depend heavily on external providers to design, implement, and evaluate their T&D programmes. The most commonly used methods are lectures, group work, case studies, seminars, coaching, and demonstrations. Less common are games, individual projects, role-playing, interactive video, computer-based training, and job rotation. Training is not integrated into organizational activities and transferability is questionable. All Jordanian banks emphasise the importance of the evaluation process and employ the Kirkpatrick (1979) model evaluation criteria. However, evaluation of T&D is at a low level, usually based on employee perceptions, and does not focus on the impact on the organization either through behavioural changes or improvement in results.

#### ***Strategic T&D and organizational performance***

Although T&D is in all cases integrated into the overall HR function, it is tactical and operational rather than strategic. Table 2 considers T&D maturity.

#### **INSERT TABLE 2 HERE**

In the commercial banks T&D has a more strategic thrust than in the other banking groups. In all banks T&D was seen as tactical and piecemeal, planned to react to current organizational challenges rather than proactive, responsive, and future-oriented. The main objectives are improving and enhancing employee skills, helping employees to do their jobs, and keeping them informed of technical changes.

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The most important impacts of T&D on employees in Jordanian banks are: improving skills and knowledge, learning new work methods, and improving behaviours, performance, and productivity. There is less impact on employee commitment, job satisfaction, team working, and creativity.

T&D is not long-term and there is a widespread perception that it has little impact on organizational performance. Participants completing the questionnaire agreed that the most important training impact was on improving the quality of services, customer satisfaction, and productivity. It was seen as having less impact on profitability, sales, labour turnover and absenteeism, innovation, and cost reduction. Table 3 shows the comparative impact.

**INSERT TABLE 3 HERE**

Western models of T&D are seen as up-to-date best practice, essential for global competitiveness.

**INSERT TABLE 4 HERE**

Table 4 shows the impact of T&D from the interviewees' points of view. The emphasis here was on quality, organizational reputation and employee morale and satisfaction. Senior managers had a different view of the impact of T&D on employee morale than their more junior colleagues.

***Quantitative and qualitative analysis***

There is substantial concordance between the findings from the analysis of questionnaires and from the analysis of the semi-structured interviews. There is agreement about current practices and management and about the extent to which T&D is strategic in nature and how it contributes to organizational performance. There is also agreement about the major challenges facing T&D in Jordanian banks. The quantitative data did show some differences between different banking sectors, mainly between commercial and Islamic banks, but these were not widespread. According to those who completed the questionnaires and those who were interviewed, the issues and challenges are very similar across the entire banking sector. It is in views about Arab culture and the appropriateness of western methods that opinions are most divided. There is a tendency for Islamic banks to be more protective of cultural and religious values, but even this is not clear cut. Interviewees were able to explain more fully, during the course of a lengthy interview, their own concerns. It is to these we now turn to gain a flavour of the issues raised.

***Recurring themes from interviews***

The starting point for discussion during the semi-structured interviews was about whether senior managers were satisfied with current T&D programmes and the T&D function in their organizations. Most were not satisfied, although managers in the Islamic banks were more satisfied than those in commercial banks. The dissatisfaction arose from: poor Training Needs Analysis; the lack of specialised T&D departments; poor planning for T&D and the lack of clear strategies; failure of employees to recognise the importance of T&D; reliance on external training providers; employee motivation to attend training programmes and; no observable change in employee performance as a result of training.

The issues concerning T&D, strategy, organizational performance, and suggested solutions are best illustrated through direct quotations from the senior managers' interviews. Most managers agreed that T& D plans were in harmony with HR plans and policies.

*'T&D has clear formal written plan (sic) and policies, which are flexible to adapt to any change in the bank environment. They are sufficient to meet the*

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*employees' needs and top management needs of general managerial improvement.' Commercial Bank.*

*'Training plan and policy are in harmony with bank needs. They are subject to change any time which means they are flexible but they are not written or formal.' Investment Bank.*

There was general agreement that T&D was not strategic.

*'T&D is not strategic yet. You cannot find strategic T&D in all of the Arab organizations, except the big successful organizations. How it could be described as strategic and sometimes it has no strategy plan or policies, no department or even sections. In addition, the relationship between T&D and organizational strategies is not clear yet'*

*'Strategic tool! Oh No, T&D needs a hundred years to become the tool by which the bank strategy will be formulated.'*

*'What you talk about in your study, in terms of a strategic position in the Jordanian banks is not found and will not be found. Actually this is a T&D dream; to be a strategic tool for formulating the bank strategy. That is impossible in the context of the current T&D situation.'*

Senior managers also reflected on the importance of employee motivation and commitment to the effectiveness of T&D and its impact on competitiveness.

*'I think T&D programmes succeed in achieving their objectives to some extent because usually trainees are not the people who need T&D, this poor assessment of employee training needs which will affect the objective of these programmes.' Commercial Bank.*

*'There is a general claim about the effectiveness of T&D from all of the departments in the bank although we are the bank number ones in terms of sending employees to T&D programmes. Managers of all departments declared that employees do not benefit from T&D; there is no improvement in their work performance. So we believe that there is a problem, it could be the time of T&D programmes. Because T&D programmes are conducted in the afternoon that is why managers feel employees do not attend T&D programmes. Because of this feeling toward the lack of impact and benefits of T&D we asked a consultancy training company to help us to find out what is going on.'* Commercial Bank.

Senior managers' views on the use of western training and learning approaches were elicited. Some saw the use of foreign programmes or trainers an advantage whilst others saw difficulties in terms of a clash of cultures and values and the use of languages. Those who believed that the use of western approaches was advantageous thought foreign trainers were knowledgeable and used good T&D methods, They also believed that local cultural traditions and customs should play no part in T&D because managerial work principles have become an international standard.

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*'The world has become a small village and opens enough in terms of managerial work methods. We are, especially in Jordan, open on the world thus there is no impact for our cultural tradition and customs when we deal with the external world. However, I still think language is a problem.'* Investment Bank.

*'I think the only problem is the language while T&D in financial banking aspects is not about tradition and culture; it is normally about figures, ratios and international work concepts. Thus, I think that if T&D was about financial aspects, there is no problem at all; however, if it was about cultural behaviour aspects, I think it could be problematic. Those people who boycott the western managerial practices including T&D programmes are like people caged in a cabin. The world has become a small village; one could not live alone. The world has become linked by Internet networks. Everything is changing rapidly and we need to be aware of anything new in the international banking markets. We have to compete and dream globally. We dream about being one of the best hundred banks in the world. How can we achieve this dream if we do not know what is going on there, what they implement in their banks? We have to compete, think and work globally.'* Commercial Bank.

Western countries are seen as benchmarks in terms of T&D practices.

*'No one can argue against the fact that western countries are the top, in terms of financial banking work. Thus, I think there is no problem with using T&D western programmes because work tradition and customs have become international. In addition we, as banks, work with international standards. We have to benefit from their experience and knowledge. I do not say that there is no problem with the language, but I think bankers should be fluent in English because English is the international formal work language.'* Commercial Bank.

Those who saw foreign programmes as a difficulty cited both differences in culture and language as problems. As the programmes are almost always conducted in English rather than Arabic, it is impossible for those who do not speak English to participate and possibilities of misunderstanding or misapplication for those who do.

*'Unfortunately T&D in the Arab organizations is just cut and paste from foreign contexts, without any attention or care to be an accurate one, applicable or suitable for us, for our culture, or not. Thus, T&D is organised randomly by cut and paste. What happened usually is that some Jordanian trainees went to western countries to get some knowledge of T&D, but, in fact all that they did was to translate these courses without any consideration into the Arabic language and come back with the new translated course. But whether these programmes are suitable, applicable or acceptable in our culture and religion, they do not know. Their aim is just to bring back new T&D names and concepts'* Islamic Bank.

*'For example, the decision-making process T&D course contains different concepts and processes from ours. In western organizations lower management levels participate in decision-making processes. But, in our organization, this level does not participate. I think if the programmes were in the Arabic*

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*language, conducted by Arabic trainers with suitable managerial practices, I think it would be better for us to communicate.’ Commercial Bank.*

Some decision makers clearly saw the need for an integrated approach to T&D and performance management.

*‘Employees need to be encouraged to attend T&D programme through linking T&D programmes with promotions.’*

*‘T&D should be linked with the employees’ performance appraisal system and thus, promotion and punishments (sic) system. If employees participate in T&D programmes and (think) in their minds that attending these programmes will decide many related things, this will make the whole programme successful, even if we could not measure this.’*

Although T&D is informed by Training Needs Analysis, this is by no means systematic and is often subjective. Training is carried out largely externally using traditional methods. It is not integrated into organizational activities and transferability is questionable. Evaluation of T&D is at a low level, usually based on employee perceptions, and does not focus on the impact on the organisation. Although T&D is in all cases integrated into the HR function, it is tactical and operational rather than strategic. T&D is not long term and there is a widespread perception that it has little impact on organizational performance. Western models of T&D are seen as up-to-date best practice, essential for global competitiveness.

## **Discussion**

It is clear from the findings that Jordanian banks are operating at a rudimentary level in any typology designed to evaluate HRD programmes (Burgoyne 1988; Walton 1999; Garavan, McGuire and O’Donnell 2004; Curtis, Miller and Hefly 2001; Rao 2001, 2008). There is certainly evidence of isolated tactical HRD but little evidence of coordinated and structural development tactics. There is nothing at all to suggest that the Jordanian banking sector is employing the “strategic leverage of learning and development processes to enhance the core competences of the organisation.” (Walton 1999: 88). As Holbeche, (2001) has argued, the development of a learning culture is crucial to competitive advantage in a modern globalised economy. Jordanian banks fall far short of this ideal. Two immediate questions arise: ‘Why?’ and ‘What might be done to encourage a learning culture?’

It comes as no surprise to find, in a culture with essentially conservative and traditional values, that change is not embraced as it is in the more individualistic cultures of the west (Hofstede, 2001, Khan and Sheikh, 2012; Trompenaars and Hampden-Turner, 2012,). Western models, so much admired by the respondents, emphasise, to an increasing extent, aspects of T&D, which include lifelong learning and continuing professional development. This is likely to widen the gap between what organizations strive to achieve and what is actually possible within the context of a National culture. In the Jordanian banks T&D is something that is done to people in line with patriarchal and family traditions. From the views of senior managers and HRD professionals in the banks, employees do not take responsibility for their own learning and development as their counterparts in western organizations might do. Of course, we do not know from this study precisely what individuals themselves might feel about this. It would be interesting to see whether there has been any shift in this regard alongside increased

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exposure to international educational systems and the HRD practices of global organizations. Essential similarities between Islamic and Foreign banks in this study indicate that currently culture has more influence over individuals' engagement with T&D than global practices. The best practice models are substantially mediated by embedded cultural norms.

If T&D is to make a significant contribution to increasing competitive advantage through people, it needs to do more than develop skills. Intrinsic to success is the encouragement of employee engagement and the satisfaction which flows from this. There are, as we have seen, some differences between perceptions of senior managers and HRD professionals about the impact of T&D on employee motivation and morale. It may be that it is unequal access to T&D rather than the T&D itself, which gives rise to what seems, at best, to be lukewarm engagement and commitment. Individual Jordanian banks, if they are to build on the credibility and esteem of western models by adopting precepts of organizational learning and organizational development, need to explore the factors which inhibit this.

Arguments about the changing nature of competitive advantage, the growing importance of intellectual technologies are powerful. There is a compelling logic to assertions that, in a globalised economy, competitive advantage depends essentially on the ability of an organization to attract, retain, and develop talented individuals. This puts HRD centre stage as an important component of an integrated strategy to support or drive competitive advantage through people. We have seen little evidence of this integration in the Jordanian banks, nor have we seen convergence and linkages between development and performance evident in the West.

There is a paradox in the espousal of western methods of T&D in the Jordanian banks. Senior managers believe that, in order to play on the world stage, you need to play by world rules. At the same time they recognise the difficulties and tensions this brings.

It has taken western organizations many years to develop theories, models and practices of T&D which are suitable for the knowledge-based industries of the twenty first century. Arab states may need to develop processes which are consonant with their own cultures yet still allow them to compete in the global marketplace.

### ***Limitations***

This exploratory research questions the tensions between western theories and practices and the Arab banking environment. Its scope is limited to the Jordanian experience and there is need for further research and comparisons in the international arena. In particular it cannot be assumed that all Arab nations are identical in cultural beliefs and practices.

This study demonstrates the commitment of Jordanian decision makers to T&D and to western models of HRD. However, the study does not capture the voice of those who undertake T&D in the Jordanian banking sector. Those experiences shape attitudes and responses to organizational interventions. If, as has been argued, competitive advantage does depend to a large extent on employee commitment, opportunities from job satisfaction and creativity, then further research into employee attitudes may prove crucial in identifying barriers to the effective implementation of an integrated HRD system which links T&D and performance. Further issues of cultural differences need to be explored, not only regarding national and sectorial issues, but also the different values and expectations of decision makers, HRD professionals and those who undertake training.

### **Implications for HRD and current management knowledge**

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This research opens up debates about the fit between traditional cultures and notions of organizational development and lifelong learning. It offers new insights into possible improvements in HRD, performance and strategy within the Jordanian banking sector. In particular it focuses upon the adoption and integration of meaningful performance measurements within a T&D/HRD framework. At the same time it recognises and describes the challenges of operating in a recently established sector.

It has implications for both future research and practitioner approaches in an international arena, especially in improving the mutual understanding between decision makers and HR practitioners. Rather than importing wholesale western models of HRD into Arab Organizations managers need to recognise how to moderate these in line with local cultural conditions. Specifically in the Jordanian context our research will enhance knowledge to enable managers to improve performance.

### **Conclusions**

The contribution of this study is that it is the first empirical study into HRD to be carried out in Jordan. It shows how the emerging nature of HRD is shaped by the socio-cultural characteristics of one developing nation and contributes to the growing bank of knowledge about HRD in other Arab nations. It questions the universality of western notions of HRD and the way in which these are introduced into other cultural milieux. The definition of HRD and its constituents are fluid, particularly within emergent industries in developing nations. The full potential of HRD systems for enhancing individual development and increasing organizational learning is not achieved; there is a lack of integration in organizational HRD systems and the measurable contribution of training and development is minimal. Forging links between training, development and individual and group learning is important in establishing organizational effectiveness. (CIPD 2011a).

There are some dangers in the wholesale adoption of western models within a culture without an established tradition of performance management and also new to the notion of the learning organization and, in particular, learning to learn. There is a need to align HRD and Business Strategy (Holbeche 2001; Khodr and Zirar 2013) and also the development of HRD itself (Grieves 2003; Karin et al. 2014) along with a commitment to the notion of a learning organization (Senge 1990).

Jordanian banks have already shown capability for competing in the global market place; however, as competitive advantage depends increasingly upon human capital and employee engagement, it is imperative that models and theories developed within western traditions are contextualized and integrated to ensure cultural fit. This opens up a wider debate about the internationalisation of HRD and brings cultural consequences firmly to the foreground.

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**Table 1** Type, age and size of Jordanian banks (N = 38)

Type of bank	No	%	Age of banks (years)	Number of employees (range)
Commercial	18	47.4	9 – 75 (mean 33.40)	140 – 6100 (mean 1342)
Foreign	6	15.8	10 – 53 (mean 27.6)	115 – 300 (mean 231)
Investment	10	26.3	3 – 26 (mean 17.1)	103 – 310 (mean 213)
Islamic	4	10.5	6 – 27 (mean 16.2)	227 – 1400 (mean 764)

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<b>Total</b>	<b>38</b>	<b>100</b>	<b>3 – 75 (mean 26.4)</b>	<b>103 – 6100 (mean 808)</b>

**Table 2 Maturity of T & D in Jordanian banks (N = 38)**  
**Numbers agreeing or strongly agreeing with the statements**

	No	%
Training and Development maturity	.	
T&D is a very important function through which strategy is formulated (proactive role)	3	7.9

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T&D helps in shaping strategy (proactive shaping role)	4	10,5
T&D is the tool for implementing corporate strategy and achieving goals (implementation role)	15	39.5
T&D activities are tactical, piecemeal, planned interventions conducted to react to the current organisational challenges or circumstances (reactive role)	28	73.7
No systematic T&D	2	5.3

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**Table 3 T & D impact on performance in Jordanian banks (N = 38)**  
**Numbers agreeing or strongly agreeing with the statements**

Training and Development impact on performance	No	%
Improving productivity	29	76.3
Improving quality of service	33	86.9
Innovation and change	14	36.8
Increasing job satisfaction	15	39.5
Increasing customer satisfaction	33	86.9
Decreasing turnover rate	11	29.0
Increasing profitability	10	26.4
Increasing sales	10	26.4
Cost saving	14	36.8
Decreasing absenteeism	12	31.6

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**Table 4 T & D impact on performance in Jordanian banks (N = 15)**  
**Numbers of interviewees indicating a high impact of T&D on a particular measure.**

	No	%
Training and Development impact on performance	.	
Quality of products and services	12	80
Raising employee morale	8	53
Reputation of the organization	5	33
Employee satisfaction	5	33
Cost reduction	3	20
Profitability	1	7