

EXAMINING THE IMPACT OF TRAINING AND DEVELOPMENT ON EMPLOYEES' PERFORMANCE IN BANKS: A MODERATED MEDIATION APPROACH BASED ON SOCIAL EXCHANGE THEORY

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ABSTRACT

In today's competitive banking sector, employee performance is critical for organizational success. This study examines the impact of training and development (T&D) on employees' performance, with compensation acting as a mediator and perceived organizational support (POS) as a moderator. Grounded in Social Exchange Theory (SET), the research argues that employees reciprocate organizational support and fair compensation through improved performance, particularly when T&D opportunities are provided. A quantitative research design was employed, collecting data from 320 employees across major banks in Pakistan. The findings reveal that T&D positively impacts performance, and this relationship is partially mediated by compensation. Furthermore, perceived organizational support strengthens the T&D performance relationship. These results provide actionable insights for HR managers to enhance employee performance through strategic T&D programs, fair compensation, and supportive work environments.

Keywords: Training and Development, Employees' Performance, Compensation, Perceived Organizational Support, Social Exchange Theory, Banking Sector.

CHAPTER:1

INTRODUCTION

1.1 Background of the Study:

Employee development and training is an indispensable part of preparing employees with the necessary skills, competencies, and knowledge to achieve an organization's objectives and develop appropriate occupational skills devoted to an evolving work environment (Nzimakwe & Utete, 2024; Pujianto, 2024). A well-developed training system will support increased task efficiency, support employee creativity, improve long-term organizational commitment and help create a supportive workplace (Deepalakshmi et al., 2024). Compensation is necessary for enhancing the benefits of training by encouraging employees to implement their training skills (Ahmad et al., 2023). Additionally, perceived organizational

support can enhance the employee employer psychological contract and set conditions to promote a positive transition from training to enhanced workplace performance (Zumrah et al., 2012; Berber & Gašić, 2024).

The performance of employees is one of the most important factors affecting an organization's overall success. Employee performance affects productivity, operational efficiency, and overall organization results (Deepalakshmi et al., 2024; Zhenjing et al., 2024; Ajobi & Owunna, 2022). Training and Development (T&D) has been identified by researchers as the most common method used to improve employee performance through providing employees with the tools (skills, knowledge, and competencies) needed to perform

their job properly, provide them with increased job satisfaction, and reduce employee turnover (Arulsamy et al., 2023; Etyindriani et al., 2023). When applying the Social Exchange Theory (SET), employees view their relationship with their employer as a reciprocal relationship based on mutual benefit. Employees are more likely to respond positively, with increased loyalty and motivation, to favorable treatment or support from their employer (Blau, 2017; Matrafi, 2024). Employees view their employer's investment in employee training as support from their employer, leading to an increased sense of obligation to improve their performance in return for the support they receive (Owunna et al., 2023; Mansour et al., 2022).

Employees benefit from training and development programs in numerous ways, including (1) enhanced technical proficiency, (2) strengthened psychological contracts between employee/employer, (3) increased employee engagement and (4) increased employee job satisfaction (Etyindriani et al., 2023). When an employee perceives that their employer is providing support to them as a member of the organisation, they are more likely to reciprocate through higher levels of performance. This is a key factor in creating a sustainable culture within organisations that benefits both the employer and employee (Berber & Gašić, 2024; Prummer et al., 2024). Compensation serves as an important link (a mediating factor) between the training initiatives and performance outcomes, as well as the employee's productivity. Perceived organisational support also moderates the relationship between training and its performance outcomes, since it influences an employee's desire to apply the knowledge and skills acquired through training (Ahmad et al., 2023; Zumrah et al., 2012).

While the advantages of training and developing workers have been judged positive; many businesses, within and outside of Pakistan, face challenges when creating and implementing these programs. Problems such as low funding available for training, poor delivery of programs, and lack of connections between training programs and business needs can all limit T&D's ability to improve an employee's performance (Anyika et al., 2024; Bello & Muhammad, 2021). Additionally, there has not been much empirical research into the interaction between the training programs offered to employees, their compensation packages

and the extent to which they perceive support from their organization in the local bank sector in Islamabad; this represents a large gap in the current body of literature. Currently, most of the studies that have been published have only focused on either a Western or private organizational context, without including the public or for-profit bank sectors of developing countries such as Pakistan (Akinwumi et al. (2023) and Imhangbe et al. (2023)).

1.2 Problem Statement:

Despite investing heavily in training programs and employee development programs, the banking industry in Islamabad has failed to enhance employee performance. Even though training and development programs increase employee skills and competencies, the benefits of these training and development programs may be limited due to subpar compensation policies and disparities in levels of perceived support from their employer organization. To achieve optimal employee performance in the banking industry, there is a need to better understand how employer compensation practices act as a mediator of the relationship between training and employee performance, as well as how perceived employer support acts as a moderating influence upon that relationship.

1.3 Research Gap:

Previous research indicates that employee training positively impacts their job performance (Arulsamy et al., 2023; Owunna et al., 2023), however, it has not focused on the mediating impact of compensations on employee performance in banking organizations within Pakistan, nor has it addressed the impact of perceived organizational support on this relationship. Additionally, research studies have not utilized Social Exchange Theory as a framework to investigate these variables collectively (Zumrah et al., 2012; Etyindriani et al., 2023).

1.4 Objectives of the Study:

The study aims to:

1. Examine the impact of training and development on employees' performance in the banking sector of Islamabad, Pakistan.
2. Investigate the mediating role of compensation in the relationship between

training and development and employee performance.

3. Analyze the moderating effect of perceived organizational support on the relationship between training and employee performance.
4. Provide recommendations to enhance training effectiveness and improve overall organizational performance.

1.5 Research Questions:

The study seeks to answer the following research questions:

1. What is the effect of training and development on employee performance in the banking sector of Islamabad?
2. How does compensation mediate the relationship between training and development and employee performance?
3. How does perceived organizational support moderate the relationship between training and employee performance?
4. What strategies can be implemented to optimize training outcomes and improve employee performance?

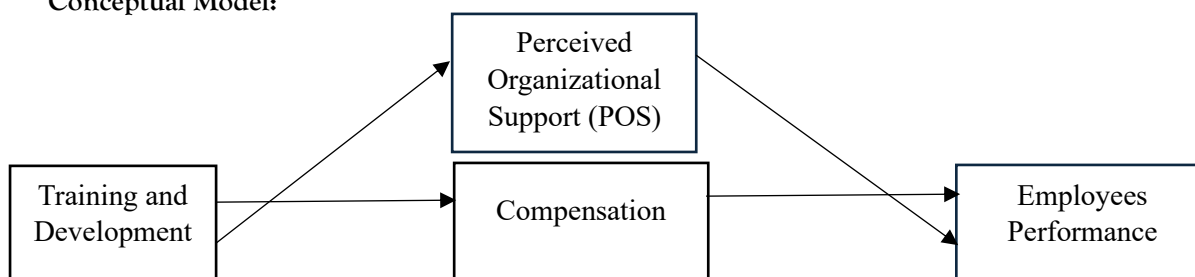
1.6 Significance of the Study:

The study examines the impact of Training and Development on Employee Performance in the banking sector in Islamabad, Pakistan and looks at the mediating role of Compensation and the moderating role of Perceived Organisational Support. Employee Performance is one of the most

important factors that determine the success of an organisation, and providing effective training enables employees to develop their skillset, gain competencies and improve their job satisfaction levels while also decreasing their levels of turnover (Deepalakshmi et al., 2024; Arulsamy et al., 2023; Etyindriani et al., 2023). This study investigates Compensation as a mediator of the relationship between Training and Employee Performance. It demonstrates the way in which rewards and recognition can augment the effect of Training on Employee Performance, while Perceived Organisational Support focuses on the psychological and social aspects that motivate and support employee commitment (Ahmad et al., 2023; Zumrah et al., 2012).

Practically speaking, these findings are useful to Human Resource Managers because they enable the design of structured training programmes that correspond with compensation strategies and are supported by a positive organisational climate, which in turn will promote productivity, loyalty and sustainable growth in organisations (Owunna et al., 2023; Madu & Edokpolor, 2021). This research also adds to the theoretical framework for the Social Exchange Theory within the context of Pakistan, providing insight into how reciprocal relationships between employees and organisations lead to improved performance, increased employee engagement and sustainable success for organisations over time (Blau, 2017; Matrafi, 2024).

Conceptual Model:



Hypotheses Statements:

H1: Training and development exert a significant and positive influence on employee performance in the banking sector of Islamabad.

H2: Training and development have a significant and positive effect on employees' compensation in the banking sector of Islamabad.

H3: Compensation serves as a significant mediator in the relationship between training and development and employee performance.

H4: Perceived organizational support significantly moderates the relationship between training and

development and employee performance, such that this relationship is strengthened under higher levels of perceived organizational support.

H5: Perceived organizational support significantly moderates the indirect effect of training and development on employee performance through compensation.

Chapter 2:

LITERATURE REVIEW:

2.1 Social Exchange Theory (SET):

Social Exchange Theory (SET) presents a structure for understanding the interactions between corporations and their employees through training and development (Blau, 2017). SET asserts that the nature of the employer/employee relationship is based on reciprocal social exchange. Strong employee commitment results from feeling obligated to return the organization's support through improved work performance, loyalty, and engagement (Matrafi, 2024; Ahmad et al., 2023). Employee investment in training is viewed as a commitment and investment of support on the part of an organization, and creates an obligation for workers to reciprocate that support through increasing their work performance, loyalty, and engagement (Owunna et al., 2023; Mansour et al., 2022). As a result of the employer's investment in employee development, employees feel increasingly confident working for the company, and develop trust and collaboration that builds long-term commitment to the relationship and strengthens the psychological contract of the employee and employer (Etyindriani et al., 2023; Berber & Gašić, 2024). SET indicates that when employees see training as a fair, supportive practice of the organization, they have an increased willingness to put forth greater effort to apply the skills they learned in training to their jobs, thereby enhancing long-term organizational performance (Deepalakshmi et al., 2024; Zhenjing et al., 2024).

2.2 Training and Development and Employee Performance:

Human Resource Management training and development (T&D) are essential components because they provide employees with the knowledge, skills and competencies needed to perform their job responsibilities effectively (Arulsamy et al., 2023; Abbas, 2014). Training about improving performance in present-day jobs while Development prepares employees for future

job opportunities and advancement. Specially designed T&D programs enhance employee's technical skills, improve confidence and motivation; increase job satisfaction; and thus positively affect the performance of organizations (Saleem et al., 2011; Laing, 2009). The success of an Organization's T&D programs depends on aligning employee's training with applicable job role, organization goals and the individual employees' needs. Other factors include Management feedback, established Goals, and Employee Engagement (Grobler et al., 2004; Anderson, 2006; Swart et al., 2005). Numerous studies provide evidence of a positive relationship between employee Performance and T&D, demonstrating that those employees who receive appropriate T&D are more likely to meet or exceed their organizational performance targets, create new ideas and contribute to their Organization's overall success (Harrison, 2000; Wright & Geroy, 2001; Saleem, Shahid, & Naseem, 2011).

2.3 Training and Development and Compensation:

Compensation functions as a crucial link between training and development (T&D) and employee performance. Compensation consists of financial and non-financial incentives that signal the value of T&D and motivate employees to utilize newly acquired skills while performing their jobs (Desler, 2013; Mondy, 2010). When employees see that their employer provides T&D and rewards their contributions to the company, they will be more motivated, involved, and productive (Noe, 2010; Elnaga & Imran, 2013). Adequate compensation also supports the alignment of employee personal goals and organizational objectives and therefore helps ensure that T&D produces better job performance and organizational effectiveness (Saleem et al., 2011; Khan et al., 2011). Research shows that T&D in conjunction with a fair compensation system produces significantly greater increases in employee competency and organizational performance when compared to T&D programs without a compensation component (Brum, 2007; Pfeffer, 1998).

2.4 Perceived Organizational Support (POS) as a Moderator:

Perceived Organizational Support (POS) indicates employees' perception of the extent to which the organization values their contributions and cares

about them (Eisenberger, Huntington, Hutchison, & Sowa 1986; Rhoades, Eisenberger, 2002). POS enhances the relationship between Training and Development (T&D) and Employee Performance through improved work attitudes, commitment and engagement (Zumrah, Kamarulzaman, Ghani, 2012; Blume, Ford, Baldwin, & Huang, 2010). High POS employees are better able to successfully transfer the knowledge and skills gained through training into their everyday tasks and therefore improve their job performance and the outcomes for the organization (Liao, 2011; Kinnunen, Mäekikangas & Kaurilinna, 2008). The Social Exchange Theory (SET) explains how this occurs: Organizations provide support through training and career development and employees reciprocate by effectively using their newly learned skills to help the organization achieve its performance expectations (Wayne, Shore & Liden, 1997; Lavelle, et al., 2009). Additionally, POS reduces the impact of negative influences such as employee's low level of motivation and/or environmental restraints, enabling them to get the most from the training and contribute to the success of the organization (Zumrah, et al., 2012; Swart, et al., 2005).

Chapter 3: Methodology

3.1 Research Design:

This research uses a quantitative approach to examine how Training & Development (T&D) affect employee performance within the banking industry in Islamabad, Pakistan, while exploring the effects of compensation on the relationship as a mediation variable and Perceived Organizational Support (POS) as a moderating variable. A survey methodology was used for collecting quantitative data from employees to provide a more statistically reliable, generalizable, and rigorous test of hypotheses. This research used Social Exchange Theory (SET) to provide a rationale for why employees give back to an organization when they invest in developing employees.

3.2 Target Population and Sampling Strategy:

A subset of the employee population working within commercial Islamabad was identified for inclusion in this study. Commercial Islamabad was selected for study because it represents a significant economic area for Pakistan and contains a large concentration of banking employees, allowing for

diverse representation across all hierarchical levels and job categories.

In order to obtain representative samples of all categories of job title holders, the research involved entry-level employees, middle-level managers and top-tier executives. Therefore, the research accounted for differences in both responsibilities and the number of years of work experience and training and development experiences of each level.

The use of stratified random sampling was employed in order to obtain a representative sample from all levels of job title holders. A total of 370 questionnaires were sent out and, of those, 320 have been completed by respondents who were eligible for analysis. Thus, a large number of subjects responded to the survey and enabled researchers to establish confidence in the validity of study results.

3.3 Data Collection Instrument:

Data were collected using a structured **self-administered questionnaire**, adapted from established and validated scales in previous studies:

1. **Demographic Information:** Age, gender, education level, years of experience, job position, and department.
2. **Training and Development (T&D):** Measured using a 5-point Likert scale based on Arulsamy et al. (2023) and Abbas (2014), assessing training frequency, relevance, and effectiveness.
3. **Employee Performance (EP):** Adapted from Saleem et al. (2011), evaluating task efficiency, goal achievement, innovation, and quality of work.
4. **Compensation:** Adapted from Mondy (2010) and Noe (2010), including financial and non-financial rewards, perceived fairness, and link to performance.
5. **Perceived Organizational Support (POS):** Assessed using Eisenberger et al. (1986) scale, evaluating employees' perception of organizational care, support, and recognition.

All items were rated on a **5-point Likert scale** ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

3.4 Pilot Study:

A pilot study was conducted with 60 bank employees to test the clarity, reliability, and contextual relevance of the questionnaire. Minor revisions were made based on feedback regarding phrasing and local applicability.

3.5 Reliability and Validity:

Reliability: Cronbach's Alpha values above 0.70 were considered acceptable for internal consistency.

Construct Validity: Confirmatory Factor Analysis (CFA) was performed to ensure that items accurately measure intended constructs.

Discriminant Validity: Ensured that constructs were distinct and not overlapping, using AVE and correlation comparisons.

3.6 Data Analysis:

Data were analyzed using SPSS 26 and Smart PLS 4, following these steps:

1. **Descriptive Statistics:** To summarize demographic characteristics and response patterns.

2. **Reliability Analysis:** Cronbach's Alpha to assess internal consistency.

3. **Correlation Analysis:** Pearson correlation to examine relationships between T&D, compensation, POS, and employee performance.

4. **Regression Analysis:** To determine the strength and direction of direct relationships.

5. **Structural Equation Modeling (SEM):** Using Smart PLS to test direct, indirect (mediation), and moderated effects (moderation).

3.7 Ethical Considerations:

Respondents provided informed consent, anonymity and confidentiality were ensured, and participation was voluntary.

Chapter 4: Data Analysis and Results:

4.1 Descriptive Statistics:

The demographic profile of respondents is presented below:

Table 4.1: Demographic Profile of Respondents

Demographic Variable	Categories	Frequency (N=320)	Percentage (%)
Gender	Male	178	55.6
	Female	142	44.4
Age Group	20-25	93	29.1
	26-31	116	36.3
	32-37	69	21.6
	38+	42	13.1
	<5 yrs	78	24.4
Experience	5-10 yrs	138	43.1
	11-20 yrs	68	21.3
	20+ yrs	36	11.3
	Bachelor's	95	29.7
Education Level	Master's	178	55.6
	PhD	47	14.7

Interpretation: Majority of respondents were male (55.6%) with 26–31 years of age (36.3%) and holding a Master's degree (55.6%), indicating a well-educated workforce with moderate experience levels.

4.2 Reliability and Validity Analysis:

Cronbach's Alpha, Composite Reliability (CR), and Average Variance Extracted (AVE) were computed:

Table 4.2: Reliability and Validity Analysis

Construct	Items	Cronbach's Alpha	CR	AVE
T&D	5	0.84	0.87	0.62
Employee Performance (EP)	5	0.82	0.85	0.60
Compensation	4	0.80	0.83	0.58
POS	4	0.81	0.85	0.61

Interpretation: Cronbach's Alpha values >0.80, CR >0.80, and AVE >0.50 indicate strong reliability and convergent validity.

4.3 Correlation Analysis:

Pearson correlation was used to examine the associations between variables.

Table 4.3: Correlation Matrix

Variable	T&D	Compensation	POS	EP
T&D	1	0.54**	0.48**	0.60**
Compensation	0.54**	1	0.46**	0.57**
POS	0.48**	0.46**	1	0.55**
EP	0.60**	0.57**	0.55**	1

Note: $p < 0.01$ (2-tailed)

Interpretation: Significant positive correlations exist between T&D, compensation, POS, and employee performance, supporting theoretical expectations.

4.4 Structural Equation Modeling (SEM) – Hypotheses Testing:

Direct and Mediation Effects:

Table 4.4: Direct and Mediated Effects (SmartPLS)

Hypothesis	Path	β	t-value	p-value	Result
H1	T&D $\rightarrow$ EP	0.46	7.85	0.000	Supported
H2	T&D $\rightarrow$ Compensation	0.54	9.21	0.000	Supported
H3	Compensation $\rightarrow$ EP	0.39	6.12	0.000	Supported
Mediation	T&D $\rightarrow$ Compensation $\rightarrow$ EP	0.21	4.35	0.000	Partial Mediation

4.5 Moderation Effect of POS:

Table 4.5: Moderation Results (POS on T&D $\rightarrow$ EP)

Interaction	β	t-value	p-value	Result
T&D $\times$ POS $\rightarrow$ EP	0.18	3.42	0.001	Significant

Interpretation:

- **H1:** T&D positively influences employee performance ($\beta = 0.46$, $p < 0.001$).
- **H3:** Compensation partially mediates T&D's effect on performance, supporting H3.
- **H4:** POS significantly moderates the T&D-performance relationship ($\beta = 0.18$,

$p < 0.01$). These results confirm that T&D, combined with fair compensation and strong organizational support, enhances employee performance.

4.6 Model Fit Indices:

Table 4.6: Model Fit Indices

Fit Index	Recommended Value	Obtained Value
SRMR	<0.08	0.065
NFI	>0.90	0.91
R^2 (EP)	High	0.61
R^2 (Comp)	High	0.54

Interpretation: SRMR < 0.08 and NFI > 0.90 indicate good model fit. R^2 values suggest that the model explains a significant proportion of variance in employee performance and compensation.

Chapter 5:

Discussion and Conclusion:

5.1 Introduction:

In this chapter, the findings will be discussed in detail according to the theory and literature that was utilised. The research investigated Training & Development (T&D) in the banking sector in Pakistan and how this affects the performance of employees with mediation variables such as compensation and moderator variables such as perceived organisational support (POS). The findings also show that T&D has a positive impact on employee performance and that compensation partially mediates this relationship. Furthermore, the role of POS in increasing this relationship as well is emphasised and demonstrates how critical organisational support is for increasing

productivity and engagement within the organisation.

5.2 Discussion of Findings:

Training and Development and Employee Performance:

Employee training and development (T&D) positively correlated with job performance, with an

effect size of $\beta = 0.46$ and a significant difference (P value < 0.001). Employees that received structured training reported improvement in their skills, knowledge, and competencies through participating in T&D programs; these changes allowed employees to be more efficient at performing their jobs and achieve their goals, which in turn resulted in innovations. The results from this study support the Social Exchange Theory (SET), which posits that when organizations invest in the development of their employees, employees see this investment as providing support to them, and as such they will return the support by performing at higher levels (Blau, 2017; Matrafi, 2024). Similar to previous studies, the findings here reinforce the notion that structured T&D programs will increase employees' technical and soft skills, job satisfaction, and overall productivity (Arulsamy et al., 2023; Etyindriani et al., 2023; Deepalakshmi et al., 2024). In addition, T&D programs benefit banks by enabling their employees working in the banking sector of Pakistan, where employees are subject to increased workloads and competitive pressures, an ability to adapt to the changing demands of their jobs while maintaining consistently high levels of performance.

Compensation as a Mediator:

It was determined that compensation partially mediated the connection between T&D and employee performance ($\beta = 0.21$; $p < 0.001$). These

findings suggest that those employees who are provided with training will be performing at greater levels to the degree that their accomplishments are adequately acknowledged and rewarded coupled with a fair pay structure. The inclusion of a compensation program strengthens the perceived benefit associated with a training program and encourages the development of these skills into the employee's daily job responsibilities (Noe, 2010; Elnaga & Imran, 2013). Therefore, this study supports additional studies which argue that by linking incentives and recognition with the enhancement of skill development, an organisation will gain the benefit of heightened motivation, engagement, as well as improved performance outcomes from their employees (Saleem et al., 2011; Khan et al., 2011; Brum, 2007). Within the Islamabad banking industry, these findings support the need for HR managers to align the reward structure for employees with their training programmes, thereby achieving the maximum ROI on their employee development efforts.

Perceived Organizational Support as a Moderator:

The T & D Performance Relationship was significantly moderated by Perceived Organizational Support (POS) ($\beta = .182, p < .01$). Employees who feel valued by their organization for their contribution+ Support their professional Development in turn use the training received effectively and turn their knowledge into being productive (Performance). This supports the SET which states Employee Organization Relationships are reciprocal (Ahmad et al 2023; Zumrah et al 2012).

In addition to POS, high levels of POS create barriers such as low motivation & stress in the workplace for Employees to be able to utilize the training (Liao et al. 2011 & Kinnunen et al. 2008). Fostering a supportive Organizational Climate creates greater levels of engagement from Employees, thus enhancing the direct and indirect benefits of T & D and creating a cycle of improved engagement, Performance, and Employee Loyalty.

5.3 Theoretical Contribution:

This study makes several contributions to theory:

1. The study builds on Social Exchange Theory (SET) within the Development and Training of Employees in the Banks of

Pakistan. The authors use the reciprocal relationship between the Banks and their Employees as the basis for their examination of how these relationships can lead to improved performance outcomes in the workplace (Blau, 2017; Matrafi, 2024).

2. By incorporating **compensation as a mediator**, the study highlights the mechanism through which training translates into tangible performance gains.
3. The moderation effect of **POS** underscores the importance of psychological and social factors in enhancing training effectiveness, offering a more holistic view of employee performance drivers.

These contributions provide empirical support for integrating human resource management practices with motivational and social theories to improve organizational performance in emerging economies.

5.4 Practical Implications:

For Human Resource Managers:

- Design and implement structured T&D programs aligned with job requirements and organizational goals.
- Link compensation strategies with training outcomes to reinforce employee motivation and reward performance improvements.
- Foster a supportive organizational culture by recognizing employees' contributions and providing career development opportunities.

For Employees:

- Employees should actively participate in training programs to enhance skills and competencies.
- Understanding the reciprocal nature of workplace support and rewards can motivate employees to apply their learning effectively.

For Policy Makers:

- Regulatory bodies and banking authorities should encourage investment in employee development programs with integrated compensation and support mechanisms.
- Policies promoting organizational support and career development can contribute to

higher workforce productivity and retention.

5.5 Limitations of the Study:

Despite its contributions, this study has some limitations:

1. **Sector-Specific Focus:** The research was limited to the banking sector of Islamabad, which may affect generalizability to other sectors or regions.
2. **Self-Reported Data:** The reliance on self-reported questionnaires may introduce bias in measuring perceptions of T&D, POS, and performance.
3. **Cross-Sectional Design:** The study captures data at a single point in time, limiting the ability to infer long-term effects.
4. **Sample Size:** Although 320 responses provide reliable insights, including a larger sample across multiple cities or sectors could enhance robustness.

5.6 Future Research Directions:

Future studies can build on these findings by:

- Conducting **longitudinal research** to examine the long-term impact of T&D, compensation, and POS on employee performance.
- Extending the study to **other industries**, such as healthcare, IT, and education, to improve generalizability.
- Investigating the **role of technology-based training programs**, including AI-driven learning solutions, in enhancing employee performance.
- Exploring **cultural and regional differences** in perceived organizational support and their effect on training outcomes.

5.7 Conclusion:

This research demonstrates the importance of training and development, as well as compensation, as mediators in the relationship of employee performance within Pakistan's banking sector. The results of this study support previous conclusions that employees who receive appropriate training as well as compensation and who feel supported by their organisation will tend to perform better than those who do not receive these benefits.

A major implication of the findings of this study is the need to integrate T&D initiatives with compensation and supporting organisational systems. Such integration is necessary if HR managers, employees, and policy-makers want to develop and implement interventions that will increase employee productivity, improve employee morale and satisfaction, and create a sustainable business environment for all employees of the organisation.

Through this research, the relationship between training, compensation, and organisational support is further illuminated, which helps guide future efforts in employee development and performance improvements in the banking sector of Pakistan.

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