Evaluating the Impact of Financial Literacy Training on Employee Performance in Zimbabwe's Banking Sector: A Micro-Econometric Analysis

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ABSTRACT

This study investigates the efficacy of financial literacy training in enhancing employee performance within Zimbabwe's banking industry, with a focus on adapting to technological advancements and evolving client needs. Utilizing a quantitative approach, primary data was collected from one-hundred and twenty-nine respondents through questionnaires administered to bank staff participating in skills development programs. The study utilized both stratified and simple random sampling techniques to ensure equitable representation across the sample, thereby enhancing the robustness and validity of the findings. Ordinary Least Squares (OLS) regression analysis revealed a significant positive correlation between skills development programs and improved employee performance. The findings underscore the importance of continuous investment in comprehensive financial literacy training initiatives, encompassing both technical and soft skills, to maintain a competitive and adaptable workforce. To inform policy and practice, this study recommends that local financial institutions should allocate a minimum of 10% of their annual training budget to financial literacy programs, and that regular program evaluations, bi-annually, should be conducted to assess effectiveness and industry relevance. Further, the study recommends collaborations between banking institutions and local universities and training providers should be fostered to develop context-specific skills development programs. Digital literacy training should be integrated into existing programs to enhance employee adaptability. Future research directions include investigating the integration of soft skills in skills development programs and digital literacy and employee adaptability in a technology driven banking environment.

Keywords: skills ddevelopment, ffinancial lliteracy training, eemployee pperformance, bbanking ssector, Zimbabwe, eeconometrics, oordinary least ssquares.

INTRODUCTION

The banking sector in Zimbabwe faces significant challenges in maintaining a skilled and adaptable workforce, particularly in the context of rapid technological advancements and evolving financial landscapes (Teane, 2020), with an estimated three million skilled workers leaving the country and the difficulty in maintaining skilled workforce because of lack of trust in banks and financial institutions (Nyazema, 2023). The departure of skilled professionals has partly been caused by struggles within the banking sector, with lack of trust from the public, with factors cush as economic mismanagement, hyperinflation, and previous banking crises eroding public confidence in financial institutions. Financial literacy training has emerged as a crucial component of skills development programs, enhancing employee performance and contributing to organizational success. This study investigates the efficacy of financial literacy training in improving employee performance within Zimbabwean banks.

Literature suggests that financial literacy training positively impacts employee performance, leading to improved job satisfaction, productivity, and decision-making capabilities (Kirsch et al., 2017; Hastings et al., 2013), with Mansor & Muda (2021) adding that financial education equips employees with the skills to manage their personal finances effectively, which intern reduces stress and enhances focus at work. A study by Bonga and Mlambo (2016) highlights the growing efforts in financial literacy within Zimbabwe, emphasizing the role of banks in promoting financial awareness, but do not specifically examine its impact on employee performance. Furthermore, the Reserve Bank of Zimbabwe (RBZ) recognizes financial literacy as a core life skill that facilitates economic empowerment. However, there is a scarcity of research examining the specific impact of financial literacy training on employee performance in the Zimbabwean banking context and further, there is lack of skills development policies which hinders the establishment of structured skills development programs. Moreso, Mhlanga and Moyo (2022) assert that there is a skills mismatch b between the skills being developed by training programs and those required by the financial sector. Ogunyemi (2020) has pointed out that there is insufficient data on financial skills outcomes data in Zimbabwe, particularly concerning its impact on employee performance within the banking sector. While studies in other contexts have established a positive relationship between financial literacy training and improved job performance, there is a dearth of research focusing specifically on Zimbabwean banks This study aims to address this knowledge and data gap by examining the relationship between financial literacy training and employee performance in Zimbabwean banks. The research objective is to evaluate the impact of financial literacy training in enhancing employee performance, given the rise in studies that validate the fact that effective skills training leads to improved job performance, enhanced productivity, and increased job satisfaction among employees (Hadebe, 2020).

Methodologically, this study employs a quantitative approach, utilizing surveys to collect primary data from bank employees participating in financial literacy training programs. Statistical techniques and econometric analysis were applied to examine the relationship between financial literacy training and employee performance. This research contributes to the existing body of knowledge on skills development programs and employee performance in the banking industry, providing valuable insights for policymakers, banking institutions, and human resource practitioners seeking to enhance employee performance through targeted financial literacy training initiatives.

BACKGROUND OF THE STUDY

The evolution of skills development has undergone a significant transformation from the industrial era, where the emphasis was placed on specialized technical expertise, to the current focus on a more comprehensive approach, the 21st Century Skills framework that includes technical, soft, and digital literacy competencies (World Bank, 2023; Senge, 1990). The skills training that embodies this evolution include financial management certifications and digital marketing courses. This shift is particularly relevant in today's knowledge-based economy, where employees are expected to possess a diverse set of skills to thrive in their roles. In the financial sector, which is increasingly shaped by technological advancements and regulatory complexities, financial literacy, industry-specific knowledge, and digital literacy are of paramount importance (Khan & Ali, 2021). As the financial industry continues to evolve, employees are expected to not only understand traditional financial concepts but also be adept in emerging technologies and regulatory compliance requirements.

Investing in skills development has been shown to offer significant benefits to organizations. A well-trained workforce tends to exhibit higher productivity, improved efficiency, and stronger customer satisfaction outcomes (Aguinis, 2009; Quintanilla et al., 2014). Research supports a robust connection between continuous learning and employee performance, where organizations that prioritize skills development see tangible improvements in job satisfaction, engagement, and overall business success (Khan & Ali, 2021). This is particularly critical in sectors such as banking, where the digital transformation is reshaping customer expectations and service delivery. Banks globally have introduced innovative programs, including leadership development, fintech accelerators, and digital transformation initiatives, which have resulted in improved employee performance and adaptability (Mhlanga & Moyo, 2022). These programs help organizations adapt to an ever-changing environment, ensuring that employees possess the competencies needed to drive organizational success.

In Zimbabwe, the banking sector is experiencing similar challenges related to workforce development. As technological disruptions and increasing regulatory pressures impact the sector, initiatives such as the Banking Industry Skills Development Fund, driven by the Zimbabwe Association of Banks and the Reserve Bank of Zimbabwe, have sought to address the need for enhanced employee skills. These programs are crucial for developing a workforce capable of navigating the complexities of a rapidly evolving financial environment. However, despite efforts to improve employee performance through skills development initiatives, there remains a significant gap in empirical research examining their effectiveness within the specific context of Zimbabwe's banking sector. This gap has been caused partly by institutional barriers and funding limitations. This gap impedes the design and implementation of evidence-based skills development strategies, further exacerbating the mismatch between the skills required and those currently possessed by employees (Nyazema, 2023).

The Zimbabwean banking sector faces an urgent challenge in enhancing employee performance to meet the demands of a rapidly transforming financial landscape. Despite the implementation of various financial literacy training programs aimed at improving employee capabilities, there is a lack of empirical evidence assessing their impact on employee efficiency and organizational success. This absence of rigorous studies hampers the design of targeted, evidence-based interventions that could effectively address the existing skills gap and enhance the competitiveness of the banking sector. The skills gap between what employees currently know and what is required by the dynamic financial environment threatens the sector's ability to adapt to both local and international banking trends, ultimately limiting its contribution to Zimbabwe's economic growth. This study aims to fill this knowledge gap by investigating the impact of financial literacy training and other skills development programs on employee performance in Zimbabwean banks, with the objective of providing actionable insights that can inform future policy and program design to bridge the skills gap and enhance sectoral competitiveness.

The Zimbabwean banking sector is confronting significant challenges driven by rapid technological advancements and shifting consumer expectations. These changes highlight the critical need for a skilled and adaptable workforce to maintain competitiveness and operational efficiency (Mlambo et al., 2020). Financial literacy training is particularly crucial, as low financial literacy has been identified as a significant barrier to effective financial decision-making and overall employee performance (Nyazema, 2023). With financial services becoming increasingly complex and digital, empowering employees with the necessary financial knowledge is essential not only to enhance individual performance but also to ensure superior customer service and the continued growth of the banking sector. However, empirical research examining the effectiveness of skills development programs, particularly in the context of Zimbabwe's banking environment, remains limited. This study aims to fill this gap by analyzing the relationship between financial literacy training and employee performance, providing a basis for targeted policy interventions that can support the development of a competent workforce capable of navigating Zimbabwe's evolving financial landscape.

Building on established human capital theory (Becker, 1964) and previous research highlighting the benefits of skills development (Aguinis, 2009; Quintanilla et al., 2014), this study provides valuable insights into the impact of financial literacy training on employee productivity and job satisfaction. With Zimbabwe's banking sector undergoing rapid transformation, continuous investment in employee training is essential to bridge the gap between current competencies and the skills required to meet the demands of a changing industry. The Reserve Bank of Zimbabwe's National Financial Inclusion Strategy emphasizes the importance of enhancing financial literacy to empower individuals and improve the functionality of the banking sector (ILO, 2021). By employing econometric methods such as ordinary least squares regression, this study assesses the effectiveness of financial literacy training programs in improving employee performance and organizational outcomes. The findings offer evidence-based recommendations for the design of more effective training initiatives that align with the evolving needs of the banking sector, thereby contributing to the sustainability and competitiveness of Zimbabwe's financial institutions.

By analyzing the effectiveness of financial literacy training on key performance indicators, this study provides actionable insights for financial institutions seeking to enhance their workforce capabilities. Ultimately, this research contribute to a more profound understanding of how targeted skills development initiatives can align with the evolving demands of the banking sector, fostering both individual employee growth and broader organizational success.

Primary objective

The primary objective of this study is to provide a comparative analysis of various skills development programs

and evaluate the impact of financial literacy training programs on employee performance in Zimbabwe's Banking sector.

LITERATURE REVIEW

Human capital and transfer of training theories

Human Capital Theory, introduced by Becker (1964), posits that investments in employee training enhance workers' knowledge, skills, and abilities, leading to increased productivity and organizational value. This theory extends traditional capital concepts to include human talent, asserting that investments in education, health, and training elevate earning potential and foster economic growth (Mincer, 1974; Heckman et al., 2000; Carneiro, 2003). In Zimbabwean banks, this framework emphasizes the importance of financial literacy training as a key investment in employee development. However, critics argue that unequal access to training can exacerbate social inequalities (Blau et al., 1996; Oreopoulos, 2003), necessitating equitable access to these programs. In addition, the Transfer of Training Theory (Baldwin & Ford, 1988) highlights that effective training outcomes depend on both skill acquisition and practical application, with key factors including training design, organizational environment, supervisor support, and trainee motivation (Burke & Hutchins, 2007; Kraiger et al., 1994). Some Zimbabwean banks have implemented graduate trainee programs, future leader programs, year-long initiatives that delivers thorough training in retail banking, corporate banking, and treasury management, aiming to equip participants with essential skills and knowledge for a successful career in the banking sector. This suggests that customized, practical financial literacy training programs tailored to individual learning styles can improve employee performance and contribute to organizational success. However, because of geographical barriers, banks tend to focus their efforts on urban areas, limiting access to financial literacy training. Furthermore, lack of formal identification documents and mistrust in the financial system are other major obstacles to financial inclusion through financial literacy training. These could be overcome by banks partnering with local organizations to deliver training programs in rural areas, leveraging technology such as online platforms to reach wider audience. Banks can also design targeted training programs for vulnerable groups, such as women and small business owners, and offer flexible delivery methods, including community- based workshops.

Expectancy and goal setting theories

Vroom (1964)'s Expectancy Theory posits that employees' motivation and productivity are influenced by their perceptions of the work environment, including their belief in their ability to succeed (expectancy), the connection between effort and rewards (instrumentality), and the value they place on those rewards (valence). This theory is particularly relevant to financial literacy training in Zimbabwean banks, as it suggests that when employees believe that their skills development will lead to meaningful rewards, their motivation and performance improve. Research by Porter and Lawler (1968) supports this, demonstrating that employees' recognition of the link between effort and outcomes leads to higher job satisfaction. In Zimbabwean banks, effective training programs can align employees' expectations with organizational goals, thereby enhancing motivation and performance. Furthermore, Goal-Setting Theory (Locke et al., 1981) reinforces this concept, showing that setting specific, challenging goals improves task performance. However, external factors such as Zimbabwe's turbulent economic times, characterized by high unemployment rate and currency fluctuations can lead to do affect employee motivation among employees. Furthermore, external rewards such as bonuses and salary increases can be limited by the country's economic constraints. Both Expectancy and Goal-Setting Theories highlight the importance of structured skills development programs in motivating employees, thereby enhancing their performance and contributing to organizational success in Zimbabwe's banking sector.

In the context of financial literacy training, Goal-Setting Theory (GST) posits that employees who establish clear, challenging, and achievable goals are more likely to demonstrate improved performance. For example, setting specific objectives related to the acquisition of financial knowledge, along with providing regular feedback and assessments, can enhance both motivation and productivity. Additionally, factors such as task complexity, available resources, and self-efficacy are crucial in influencing the effectiveness of financial literacy training. By integrating the principles of GST into training programs, banks in Zimbabwe can foster improved employee performance, better financial decision-making, and contribute to overall organizational success. Frameworks such as the SMART goal framework have been tailored to address specific financial literacy training needs and goals in Zimbabwean banks. This theoretical framework serves as a foundation for examining the impact of financial literacy training on employee performance within the context of Zimbabwean banks.

Skills development and training programs effect on employee performance

The Zimbabwean banking sector is facing a significant challenge in improving employee performance to keep pace with the dynamic and rapidly evolving financial landscape. While skills development programs have been implemented, there is a notable lack of empirical evidence on their effectiveness in enhancing employee efficiency and aligning their capabilities with the needs of the sector. The existing literature highlights that skills development initiatives, particularly financial literacy training, have the potential to significantly enhance employee performance by equipping workers with the necessary competencies to navigate the complexities of modern banking (Mozael, 2015; Mdhlalose, 2020). However, research by Nyoni and Gumbo (2021) and Abubakar (2024) suggests that despite such efforts, the ongoing skills gap between employees' existing knowledge and the evolving demands of the financial sector remains a persistent issue. This gap, if left unaddressed, limits the sector's ability to capitalize on emerging banking trends and may hinder its ability to contribute meaningfully to the broader economic development of Zimbabwe.

The dearth of comprehensive studies on the effectiveness of skills development programs exacerbates this problem, creating a barrier to the design and implementation of evidence-based initiatives aimed at improving employee performance. As highlighted by Barzegar and Farjad (2011) and Dabale et al., (2014), the tailoring of training programs to meet specific organizational needs and the involvement of employees in the training design process are key factors for maximizing training effectiveness. However, despite the recognition of these best practices in the global literature, such approaches remain under-explored in the Zimbabwean context. This lack of empirical evidence contributes to a disconnect between the training programs offered and the practical skills required in the banking industry, thereby limiting the sector's ability to foster a skilled and competitive workforce. Addressing this gap through targeted research will provide a clearer understanding of how skills development programs impact employee performance and, by extension, contribute to the overall competitiveness of the Zimbabwean banking sector. This study aims to bridge this knowledge gap, offering insights that will inform the development of more effective and evidence-based training programs to support employee growth, enhance performance, and promote sectoral competitiveness.

METHODOLOGY

This study employs a quantitative research design, using a causal-comparative approach, to investigate the relationship between skills development programs, specifically financial literacy training, and employee performance within Zimbabwe's banking sector. The model examines employee performance as the dependent variable, with financial literacy training, job satisfaction, and leadership style as independent variables. This framework aligns with existing literature, such as the works of Noe (2013) and Aguinis & Kraiger (2009), which highlight the critical role of skills development in enhancing employee competencies and improving organizational outcomes. The study employs a linear regression model, suitable for analyzing continuous data and elucidating the complex relationships between these variables. By examining how financial literacy training influences employee performance, the study seeks to provide valuable insights into optimizing training programs to bridge the existing skills gap in Zimbabwe's banking sector. The lack of empirical evidence in this area has contributed to a knowledge gap, which this study aims to address by informing evidence-based policy recommendations for enhancing employee performance through tailored skills development initiatives.

The problem of inadequate employee performance in Zimbabwe's banking sector, driven by a skills gap, is exacerbated by the absence of comprehensive research on the effectiveness of skills development programs. Despite the implementation of such programs, there is little empirical data to demonstrate their impact on employee efficiency and organizational success, leaving a disconnect between the skills possessed by employees and those demanded by the sector. This knowledge gap hinders the development of targeted interventions that could bridge this skills disparity and enable the sector to meet the challenges of a rapidly evolving financial environment. By examining the role of financial literacy training, this study aims to fill this gap, providing insights that could inform the design of more effective skills development programs. Through a detailed econometric analysis, the research will explore how such training can enhance employee performance, thereby contributing to the competitiveness and growth of the banking sector in Zimbabwe. The study focuses on employees across various departments and financial institutions, ensuring a diverse and comprehensive analysis of employee experiences and the impact of training on performance. This approach seeks to generate findings that will help address the skills gap, ultimately improving the ability of Zimbabwe's banking sector to capitalize on both local and international trends and foster economic growth.

Sample Size, sampling technique and procedure diagnostic

To determine the optimal sample size for this study, Cochran (1977) formula was applied, considering the total population size, desired precision level, and the estimated proportion of characteristics within the population. This method ensures statistical integrity and generalizability of the findings. Although the calculated sample size was 271, logistical constraints, such as financial and time limitations, led to the use of a smaller sample size of 129. This trade-off was necessary for practical feasibility and improved response rates, aligning with research goals (Dillman et al., 2014).

A stratified random sampling technique was employed to ensure a representative sample from Zimbabwe's diverse banking sector. Banks were categorized into segments such as commercial, merchant, and development banks, and stratified by job level (junior, intermediate, and senior) and department (front-line, support, and management). This approach enabled a comprehensive and unbiased representation of employees across different roles and bank types, ensuring that the study captured diverse perspectives within the banking sector. The study's design addresses the critical issue outlined in the problem statement: the knowledge gap concerning the effectiveness of skills development programs in improving employee performance. By using a representative sample and robust sampling methodology, the study aimed to provide empirical evidence on how financial literacy training and other skills development initiatives can bridge the skills gap and enhance employee performance in Zimbabwe's banking sector, contributing to its competitiveness and alignment with global trends.

Sources of data and data collection instruments

This study utilized primary data collected through structured questionnaires, a critical tool for obtaining fresh insights directly from the target population. As Bryman (2022) notes, primary data collection provides an advantage over secondary data by allowing researchers to tailor their investigations to specific research questions that may not be addressed by existing datasets. Questionnaires, as a data collection method, are particularly beneficial due to their cost-effectiveness and efficiency, as emphasized by Wei (2006) and Survey-Sparrow (2023). This approach is especially useful when the sample is spread across various locations or specific demographic groups, ensuring a wide-reaching and representative data set. Additionally, questionnaires allow for standardized responses, as highlighted by Enders (2010), which minimizes interviewer bias and ensures consistent data collection, facilitating robust analysis and comparison across different groups.

The structured questionnaire in this study focused on gathering detailed information on employee demographics, such as age and gender, alongside key insights into the effectiveness of skills development programs in the banking sector. The use of primary data is particularly relevant in addressing the problem statement, which identifies a critical knowledge gap regarding the effectiveness of skills development initiatives in enhancing employee performance within Zimbabwe's banking sector. By directly surveying

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employees, this research aims to fill this gap, offering empirical evidence on how training programs impact employee efficiency and organizational goals. Such insights are crucial for informing the design of targeted interventions that can bridge the skills gap and improve sectoral competitiveness, addressing the broader challenge of aligning employee capabilities with the demands of a rapidly evolving financial landscape.

Data Analysis and Presentation

In this study, data collected through questionnaires was systematically coded to align with the variables under

investigation, ensuring clarity and precision in the analysis. Descriptive statistics were applied, and data analysis was carried out using the EViews software, which facilitated the presentation of results in tables and figures for a clear visualization of findings. A multinomial regression technique was employed to explore the relationships between the dependent variable, employee performance, and independent variables, such as participation in skills development programs and job satisfaction. Employee performance was further evaluated with respect to participation in skills development programs, which were classified as binary variables (1 for participation, 0 for non-participation) or based on the type of program, including vocational training or apprenticeships. Participants' adaptability to different leadership styles was rated on a scale of one to three, allowing the study to capture nuanced insights into performance outcomes. This approach aimed to enhance the understanding of how financial literacy training specifically influences employee performance in Zimbabwe's banking sector.

The study aligns with a causal-comparative research design to investigate the relationship between skills development programs and employee performance in Zimbabwe's banking sector. By examining financial literacy training, job satisfaction, and leadership style as independent variables, the study adheres to theoretical frameworks such as those proposed by Noe (2013) and Aguinis & Kraiger (2009), which underscore the importance of skills development in improving employee capabilities and organizational outcomes. Using a multinomial regression model, the study provides a comprehensive econometric analysis of how financial literacy training influences employee performance, which is crucial for filling the existing knowledge gap in Zimbabwe's banking sector. This gap, driven by a lack of empirical evidence on the effectiveness of such programs, has hindered the design of targeted interventions. By addressing this gap, the study aims to provide data-driven insights that will inform the creation of more effective skills development programs, helping to bridge the skills divide and enhance the overall competitiveness of Zimbabwe's banking sector.

RESULTS AND DISCUSSION

Descriptive and Diagnostic Results

A comparative analysis of the descriptive statistics for skills development programs (SDP) and employee performance (EP) reveals notable differences in variability, with SDP showing a higher standard deviation, indicating a greater dispersion around the mean compared to EP. Both datasets exhibit mild negative skewness, suggesting an asymmetrical distribution with longer left tails. Despite this, the Jarque-Bera test confirms that both EP and SDP datasets satisfy the assumption of normality, with p-values above the 0.05 threshold, supporting the use of parametric statistical methods for further analysis. The Augmented Dickey-Fuller (ADF) test provides strong evidence for the stationarity of the EP time series, rejecting the null hypothesis of non-stationarity with a p-value of 0.0011, indicating that the series is suitable for time series modeling. Diagnostic checks further validate the model, with high R-squared and adjusted R-squared values indicating a good fit, and the Durbin-Watson statistic suggesting no significant autocorrelation in the residuals. These findings ensure the robustness of the statistical methods applied and provide a reliable foundation for the subsequent analysis of the effectiveness of skills development programs on employee performance. The variability can significantly impact employee performance as different training methodologies can lead to varied performance outcomes. One bank implemented a traditional classroom based training program for its employees focusing on financial literacy and product knowledge, the results were improved knowledge of financial products but employees struggled to apply this knowledge in practical scenarios.

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In addressing the relationship between skills development programs as measured by financial literacy training, and employee performance, this study draws on Human Capital Theory, which emphasizes the link between investments in training and improvements in worker productivity and organizational value. Human Capital Theory, as outlined by Becker (1964), asserts that enhancing employee skills leads to higher productivity, which is crucial for the competitiveness of Zimbabwe's banking sector. However, critics argue that unequal access to training could exacerbate social inequalities (Blau et al., 1996), suggesting that financial literacy programs must be designed with equity in mind. Additionally, the Transfer of Training Theory (Baldwin & Ford, 1988) highlights the importance of not just acquiring skills but also ensuring their practical application in the workplace. This perspective is particularly relevant for Zimbabwean banks, where financial literacy training tailored to individual learning styles could significantly improve employee performance. Incorporating both Human Capital Theory and the Transfer of Training Theory into the evaluation of financial literacy programs provides a comprehensive framework for understanding how skills development initiatives can enhance employee capabilities and contribute to organizational success.

The effectiveness of skills development programs in the Zimbabwean banking sector is further illuminated through the application of Expectancy and Goal-Setting Theories. Expectancy Theory (Vroom, 1964) posits that employees' motivation and performance are influenced by their belief in the connection between effort, performance, and rewards. This theory suggests that employees in Zimbabwean banks who perceive a clear link between financial literacy training and tangible rewards will be more motivated and perform better. Goal-Setting Theory (Locke et al., 1981) complements this by demonstrating that setting specific, challenging goals improves performance. In the context of financial literacy training, both theories suggest that training programs should align employees' expectations with organizational goals and provide clear, measurable objectives. This integration of theory with practical training programs can significantly enhance employee performance by fostering greater motivation and improved job satisfaction, thus contributing to the overall growth and competitiveness of Zimbabwe's banking sector. By bridging the skills gap, such targeted programs can support the sector's adaptation to evolving financial trends and bolster its contribution to Zimbabwe's economic development.

REGRESSION RESULTS

Method: Least Squares				
Sample: 1 129				
Included Observations: 129				
Variable	Coefficient	Std. Error	t-Static	Prob.
C	4.126035	0.282714	14.59437	0.0000
Sdp	0.510200	0.070956	7.190347	0.0000
R-Squared	0.576371	Mean dependent var		5.950000
Adjusted R-Squared	0.565223	S.D. dependent var		1.197219
S.E Of Regression	0.789418	Akaike info criterion		2.413665

Sum Squared Resid	23.68087	Schwarz criterion		2.498109
Log Likelihood	-46.27331	Hannan-Quinn criterion		2.444198
Durbin-Watson Stat	1.600943	Prob(F-statistic)		0.000000

Source: Researcher's own analysis using Eviews 12

The regression model employed in this study demonstrates a satisfactory explanatory power, with an R-squared value of 0.576371 and an adjusted R-squared value of 0.565223, indicating that approximately 57% of the variation in employee performance (EP) can be attributed to the included predictors. The significance of the model is further confirmed by the F-statistic's p-value of 0.000000, which denotes the high relevance of the variables under investigation. Notably, the variable for skills development programs (SDP) shows a statistically significant positive relationship with employee performance, with a coefficient of 0.510200, a standard error of 0.070956, a t-statistic of 7.190347, and a p-value of 0.0000. This finding suggests that a one-unit increase in SDP corresponds to a 0.51-unit increase in EP, holding other factors constant. These results underscore the importance of skills development in enhancing employee performance, making a compelling case for the continued investment in such programs within Zimbabwe's banking sector.

This outcome aligns with existing research, such as that by Abubakar (2024), which examines the impact of training and skill development on employee performance, particularly within private banks. The study emphasizes the strategic role that ongoing investment in staff development plays in maintaining competitiveness amidst evolving market conditions and technological advancements. For Zimbabwean banks, where adapting to a rapidly changing financial landscape is critical, prioritizing continuous skills development can significantly improve workforce capability. By fostering a knowledgeable, skilled, and adaptable workforce, banks are better positioned to enhance performance metrics, which ultimately contributes to overall organizational success. However, external factors such as changes in bank regulation and the emergence of new fintech competition have significantly impacted employee performance in banks. The Reserve Bank of Zimbabwe's (RBZ) regulatory reforms, such as the National Financial Inclusion Strategy (2016), have increased pressure on banks to adapt to new requirements, leading to a need for employees to acquire new skills. The rise of EcoCash and One Money, fintech companies, has disrupted traditional banking models, requiring employees to develop digital literacy and customer-centric skills to remain competitive.

The results also connect to the broader theoretical frameworks that underscore the importance of skills development programs, such as Vroom (1964) Expectancy Theory and Goal-Setting Theory (Locke et al., 1981). Expectancy Theory suggests that employees' motivation and productivity are influenced by their belief in the link between effort, performance, and rewards. In the context of financial literacy training in Zimbabwean banks, employees who believe that their participation in skills development programs will result in tangible rewards are more likely to demonstrate enhanced motivation and improved performance. Research by Porter and Lawler (1968) further supports this idea, showing that employees who recognize the connection between their efforts and the rewards they receive experience higher levels of job satisfaction. This suggests that aligning financial literacy training programs with organizational goals and rewards can motivate employees to perform better and contribute more effectively to the organization's success.

Similarly, Goal-Setting Theory reinforces the concept that setting specific, challenging goals leads to higher task performance. In the case of financial literacy training, setting clear objectives related to the acquisition of financial knowledge, coupled with regular feedback and assessments, can enhance employee motivation and productivity. The integration of these theoretical frameworks into the design of skills development programs in Zimbabwean banks would contribute to a more structured and effective approach to training. By providing employees with clear goals, adequate resources, and the necessary support, banks can improve not only employee performance but also foster better financial decision-making, which ultimately benefits the organization as a whole.

The literature review highlights a significant challenge within the Zimbabwean banking sector: despite the implementation of skills development programs, there remains a substantial gap in empirical evidence regarding their effectiveness. While studies by Mozael (2015) and Mdhlalose (2020) have emphasized the potential of financial literacy training to improve employee performance, research by Nyoni and Gumbo (2021) and Abubakar (2024) points to an ongoing skills gap between the knowledge employees possess and the skills required by the evolving financial sector. These skills gap not only limits employees' ability to meet the demands of a rapidly changing financial environment but also hinders the sector's capacity to remain competitive globally. The lack of comprehensive studies on the impact of these programs exacerbates this issue, creating a barrier to the design and implementation of effective, evidence-based skills development initiatives. This study seeks to fill this knowledge gap by providing empirical evidence that links skills development programs directly to employee performance improvements, offering insights that could guide the design of more effective training programs in Zimbabwe's banking sector. By doing so, it aims to contribute to the broader goal of improving the sector's competitiveness and ensuring its ability to contribute meaningfully to Zimbabwe's economic growth.

CONCLUSION AND RECOMMENDATIONS

Conclusion

This study examined the impact of financial literacy training on employee performance in Zimbabwe's banking sector using Ordinary Least Squares (OLS) regression analysis. The results revealed a significant positive relationship between employee performance (EP) and SDPs, with approximately 57% of the variation in EP explained by the predictors included in the model. The statistically significant coefficient for SDPs (0.51) underscores the potential of skills enhancement initiatives to boost employee productivity. A qualitative study on a bank in Zimbabwe that introduced an e-learning platform to enhance financial literacy found that training had a significant impact on employee's financial knowledge, skills and behavior (Muponda, 2016), with employees confidently able to handle customer transactions and had better financial decision-making skills. These findings highlight the critical importance of continuous professional development and regular training needs assessments within banking institutions. Additionally, the study suggests the integration of technology, such as e-learning platforms and advanced performance management systems, to further support skills enhancement. The significant role of SDPs aligns with existing literature, such as Abubakar (2024), which emphasizes the need for strategic investments in employee development to maintain competitiveness in a rapidly changing financial environment.

The implications of this study are far-reaching for the Zimbabwean banking sector, emphasizing that enhancing employee skills is vital for improving performance and organizational success. The study emphasizes the need for assessing long term effects of financial literacy training on employee performance, rather than immediate outcomes, to capture the full impact of such interventions. The results of this analysis contribute to the body of knowledge by providing empirical evidence of the positive effects of SDPs, thus filling a gap identified in the literature. Future research should build upon these findings by employing mixed-methods approaches, longitudinal designs, and comparative analyses to further explore the dynamics between SDPs and employee outcomes. Such research could provide deeper insights into the specific mechanisms through which SDPs influence employee motivation, job satisfaction, and performance. Incorporating theoretical frameworks such as Vroom's Expectancy Theory and Locke's Goal-Setting Theory into the design of SDPs can enhance the effectiveness of training programs, ensuring they align with organizational goals and motivate employees to perform at higher levels. Consequently, this study offers actionable insights that can inform the development of more effective, evidence-based training initiatives in the banking sector, ultimately supporting the sector's competitiveness and contribution to economic growth.

Recommendations

To optimize financial literacy training within Zimbabwe's banking sector, it is essential to institutionalize regular and systematic training needs assessments. Conducting bi-annual assessments will enable banking institutions to identify both current gaps in employees' skillsets and emerging trends within the financial sector. These assessments should focus on a combination of technical and soft skills, such as financial analysis, digital banking technologies, customer service, and leadership development, as highlighted by Nyazema (2023). Drawing on best practices from other developing countries, this approach has proven effective in improving employee performance by ensuring that training programs are tailored to meet both the evolving industry demands and the specific needs of the workforce. Moreover, promoting a culture of continuous learning through diverse learning formats, such as workshops, seminars, and partnerships with educational institutions and professional bodies, will ensure that employees stay current with industry best practices and technological advancements, further enhancing their professional capabilities.

The training needs assessment framework will include conducting stakeholder interviews, analysis is current

skills and competencies, industry benchmarking and compilation of findings through reports. Implementation will then follow through pilot programs, learning format evaluation and at a later stage full implementation. Several strategies could be adopted to overcome barriers to technology, including provision of technical support and training to staff, development of a change management plan to communicate the benefits and expectations of the new training program and continuous evaluation. The program pilot would involve a trial e-learning module on a specific topic, with selection of a group of employees to participate in the trial e-learning module. A traditional classroom training could be given to a different group of employees on the same topic and a comparison of outcomes and feedback from all groups sought to determine effectiveness of the e-learning module.

Furthermore, the alignment of financial literacy training with organizational objectives is crucial for maximizing their impact on employee performance and overall organizational effectiveness. By ensuring that training initiatives are closely tied to the strategic goals of the institution, banking organizations can improve the link between individual employee output and organizational performance targets. Moreover, the integration of technology, such as e-learning platforms and advanced performance management systems, can play a pivotal role in enhancing training accessibility and effectiveness. E-learning offers flexibility in delivery, while performance management systems can facilitate real-time feedback and track progress, allowing for timely adjustments in training content. These technological tools not only streamline the training process but also help to measure and improve the effectiveness of skills development initiatives. By embracing these recommendations, Zimbabwe's banking sector can bolster employee performance, enhance organizational competitiveness, and adapt to a dynamic market environment, thereby contributing to the overall economic growth of the country. This approach is directly supported by the findings of this study, which demonstrate a significant positive relationship between SDPs and employee performance, highlighting the importance of continuous investment in skills enhancement programs for improving workforce productivity.

Suggestions for future research

Future research should explore the integration of soft skills and digital literacy in skills development programs and employee adaptability in a technology driven banking environment. This could be done through comparative studies across different banking institutions, for example, microfinance and commercial banks, which is crucial for banking sector competitiveness.

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