Article

Nexus of Training and Development, Organizational Learning Capability, and Organizational Performance in the Service Sector

Altaf Hussain 1, Muhammad Khan 2,*, Dilshodjon Alidjonovich Rakhmonov 3, Zokir Toshtemirovich Mamadiyarov 4, Mohichekra Turobjonovna Kurbonbekova 5 and Muxliisa Qodirjon Kizi Mahmudova 5

1 Department of Commerce and Management Sciences, University of Malakand, Chakdara 18300, Pakistan
2 Institute of Business Studies and Leadership, Abdul Wali Khan University Mardan, Mardan 23200, Pakistan
3 Department of International Business Management, Tashkent State University of Economics, Tashkent 100066, Uzbekistan
4 Department of Banking and Investment, Tashkent State University of Economics, Tashkent 100066, Uzbekistan
5 Department of Commercialization of Scientific and Innovative Developments, Tashkent State University of Economics, Tashkent 100066, Uzbekistan
* Correspondence: muhammadkhan@awkum.edu.pk

Abstract: This article investigates the expansion of organizational learning capabilities (OLC) and its growing utilization in the organization in order to identify whether OLC affects the relationship between training and development and organizational performance. This study further explores the correlation between organizational learning capabilities and organizational performance, offering insight into the different understandings of organizational triumph related to OLC. This research was conducted via survey method and data were collected from five service industries in Khyber Pakhtunkhwa (KP), Pakistan. A data sample of 300 employees was analyzed using quantitative approaches, such as descriptive statistics and partial least squares structural equation modeling (PLS-SEM). The results of the article addressed issues that are related to human capital regarding OLC, including training and development aspects which were not discussed by the literature in the past. The main findings of this paper are the formulation of an empirically and theoretically supported model related to the effect of OLC on the relationship between training and development and organizational performance. On the other hand, this study signifies that OLC is a better instrument for enhancing organizational performance, as well as in dealing with today’s indeterminate and continuously challenging economic atmosphere. This study is the first of its nature to shed light on training and development, organizational learning capabilities, and organizational performance in the service sector of KP, Pakistan.

Keywords: training and development; organizational learning capability; organizational performance; service sector

1. Introduction

Organizational learning has made an enormous contribution to organizational research and management practices and plays a critical role in achieving organizational goals. However, for enhancing organizational performance, very few industries have started realizing adopting OLC to strengthen the latent power of corporate learning back over the previous years [1,2]. It may neither be the scarcity of human capital nor low investment in humans but the learning culture that makes the difference. In the existing volatile business environment, interest in OLC as a driving force for competitive advantage is increasing. It is also considered one of the iconic strategic sources for obtaining long-term organizational performance and has the potential to grow and innovate [3]. Therefore, if organizations want to survive and compete, they have to realize its critical nature and should strive to promote this management practice.
The interest of researchers in the services sector is ubiquitous as it is not only the fastest growing but the largest sector (47 percent of the GDP in low-income countries, 53 percent in middle-income countries, and 73 percent in high-income countries) in the world economy. Additionally, its share in FDI and cross-border trade is also significant. Research studies have found a positive relationship between effective organizational learning and organizational outcomes [4].

The research on the link between training and development and organizational performance has been consuming a significant degree of attention throughout the past decade. Extant literature extensively bespeaks that training and development increase organizational effectiveness and productivity by producing human capital with sufficient skills and knowledge [5–8]. Organizational learning capability is dependent on the creation of such a culture that cultivates the acquisition, generation, and shifting of knowledge as basic values and norms [9–11]. One of the core issues for firms and institutions is the creation of an environment that promotes a high learning capacity. This idea is also getting more attention among scholars that training and development play an effective role in improving human capital and organizational learning to gain a competitive edge for an organization [12,13].

An extensive amount of reasoning has been put forward to discuss that most of the studies did not find such statistical support for a direct positive link between training and development and performance [14,15]. According to Hussain Yusoff [16], developed countries have realized this fact but developing nations, such as Pakistan, are far behind in this regard. The literature at hand briefly debates the direct link between human resource management and performance with training and development as one of them [17,18]. Another relevant reason is that training and development do not affect performance directly [19] but have an indirect impact on improving job performance and other performance outcomes. Though, very few studies have empirically established whether any variable mediates or moderates the link between training and development and organizational performance. This study emphasizes the moderating effect of organizational learning capability on the relationship between training and development with performance. This attention has been made to different logical arguments and it is likely that past literature briefly spotted an imperative fragment of organizational learning capability in organizational success and effectiveness [20,21]. Some researchers proposed that training and development serve as a key instrument for enhancing organizational learning capability OCL [22,23]. To date, the relationship between training and development and organizational performance under the moderating role of OLC has hardly been investigated in the literature, specifically from an empirical viewpoint to enrich the level of understanding regarding this relationship.

This article is organized and summarized as follows. Section 1 gives an introduction which mainly discusses the variables of the study. In Section 2, the theoretical background and hypotheses are provided. In Section 3, the methodology is presented. Analysis as well as results are offered in Section 4. Discussions, conclusions, limitations, and recommendations are examined in Sections 4 and 5, respectively, followed by references.

2. Theoretical Background and Hypotheses

2.1. Training and Development, Organizational Performance, and Organizational Learning Capabilities

According to Goldstein [24], training and development are subsumed as organized acquirement and advancement of the information, skills, abilities, and behaviors required by human capital to suitably complete an assigned job or to enhance performance in the workplace [25,26]. Training and development are two different words that are used for the sole purpose of organizational performance in different organizations [16,27]. Training and development research focuses on the last four decades because well-planned training and development sessions generate desired outputs that are higher individual and organizational performance [14,28]. The study of Aguinis and Kraiger [29] and Chopra [27] described the significance and advantages of training and development for all segments of society, individuals, groups, and organizations. Training and development explicitly
contribute to the development of individual performance and organizational performance. According to Halawi and Haydar [30], various nations and organizations, particularly the United States of America, spend most of their budget on the training and development of their human capital and constantly concentrate on their organizational learning and improvement to compete in the global market. The resource-based aspect and knowledge contextualization complement this notion that training and development enhance organizational performance [31]. It is marked as a crucial activity in achieving a competent, flexible, and well-prepared workforce [32,33]. A considerable number of researchers have examined the link between training and development and performance, and their results indicate that training and development have a positive impact on productivity and organizational performance [12,16,34–36].

Enga [37] documented that training and development must be well-organized and specifically long-term-oriented to have a positive impact on organizational performance. Most of the past researchers agreed that long-term-oriented training has a positive influence on organizational performance [29,34,38]. Some other scholars also identified that multi-skill training and development has an adequate impact on organizational performance and stands higher than the specific training [14,39]. For example, multi-skill training fosters output efficiency more firmly than general training and development [40,41]. The team-oriented training concept is introduced in organizations for the last forty years. Organizations are characterized by teamwork instead of individual tasks. Conventionally, academics considered that employees require training to enhance their capabilities in their subsequent individual tasks and jobs, before placing them in a team environment. Though, recent research reveals that training in teams improves individual competencies more robustly than specific training [42–44].

In the same tune, previous studies propose that the positive impact of training and development on organizational performance occurs because training and development advance OLC [14,37], and as a result, it leads into foster organizational knowledge. In common, organizational learning is regarded as a prime resource for accomplishing the tactical restoration of innovativeness [21]. A general agreement has been found that organizational learning capability is a perplexing, multidimensional concept existing at various cognitive levels and lagging manifold sub-processes [22,45]. Nevertheless, different opinions have been adopted to research OLC but generally, OL is categorized into two key approaches. The first approach defines OL as a method through which organizations learn and foster new knowledge which is integrated by four other sub-dimensions, i.e., knowledge acquisition, distribution, interpretation, and memory [1,46]. The second technique defines organizational learning as an organizational capability that provisions the organizational learning method [1,47]. According to Camps and Luna-Arocas [48], a learned organization is fully skilled in the abilities of creativity, innovation, attaining and transmitting knowledge, and adapting its attitudes to replicate innovative knowledge and visions. OLC encompasses managerial features that provision the OL methods or permit an organization or firm to learn [45]. Whatever approach is considered it does not matter but the growing concern in this area is that organizational learning conceptualizations are required to be tested among various levels of analysis within the business, individual, and organization [49], and specifically with organizational performance. Individual-level learning is the method through which an individual employee creates new understandings and knowledge from prevailing tacit or expressed information. From the perspective of the capability approach, an individual learning capability relates to the individual employee’s capabilities and inspirations to learn and adopt [50,51]. This behavior then imitates in some individuals in the form of a generation of new ideas, experimentations, and insights, leading to feelings of pride and ownership in their job. On the other hand, group learning encompasses the transfer of an individual’s knowledge to the group in order to facilitate all the group members and develop a milieu of shared understanding [52,53]. So, the author stressed that dialogue and joint action are effective elements in the efficacy of knowledge transfer within a group and have a significant effect on organizational performance in the
long term [54]. Group learning assists systems, strategies, structures, cultures, and rules of the organization [47,55]. All the dimensions of learning are distinct such as individual, group, and organizational but are interconnected. According to Aragón, Jiménez [14], individual learning is referred to as a pre-criterion for organizational learning. The author further clarifies that individual learning cannot pledge to organizational learning. All three levels of learning are found to be essential for improving organizational performance. Organizational learning can be made effective only if individuals share their knowledge within firms; the group needs to adopt that shared knowledge and use it properly. Lastly, the firm becomes capable to embed both knowledges into organizational routines and operational practices [55,56]. Literature assumes organizational learning capability as a foundation for attaining a constant competitive edge and a prominent construct in the improvement of organizational performance [20,57]. A majority of the researchers also found a positive relationship between OLC and organizational performance [48,58,59]. Little attention has been paid to the three levels of organizational learning and organizational performance in the literature [49,55].

It is also documented that learning-oriented training stimulates organizational learning capabilities. In order to give significance to OLC in connection with organizational performance, a sufficient amount of research has strived to examine the determinants of OLC [59,60]. Human resource practices involving training and development are the basic resources through which organizations can affect and outline the skills, behavior, and attitudes of human capital [31,61]. Moreover, training and development can formulate an organizational culture that motivates individuals to acquire knowledge and skills and transfer it inside the organization [62,63]. In human resource practices, training and development are found to have a key role in enhancing organizational learning and its impact on developing individual learning capabilities and producing learning-oriented culture [22,31]. Though, examining the relationship between training and development and OLC profoundly is still very scant in the literature. Again, the researcher found only one study concentrating on such a relation [14]. However, most of the researchers studied HRM and OLC, which includes training and development [61,62,64]. Hence, further efforts are required to comprehend the relationship between training and development and OLC in depth. There is also common consensus in the literature regarding the significance of a broader usage of training and development of organizational learning [61,62,64,65]. The primary concept is that a considerable amount of training and development is a key instrument to fostering employees’ learning capabilities and enhancing both their competency for learning and motivation to learn [8,14,61]. According to the researcher’s point of view, no empirical study is found that analyzed the relationship between training and development and the three levels of organizational learning.

The training type which is assumed to favor the OLC of the organization is long-term-oriented training. This training is well-planned and has the capacity to develop the adaption and anticipation capacity the organizational environment needs [14]. So, it is logical to presume that well-structured long-term-oriented training and development should add to enhance the employee learning capabilities at individual and organizational learning levels, which in turn contributes to organizational performance. Capabilities achieved as a result of long-term-oriented training not only make the employees efficient and productive but also enhance the efficiency and performance of organizations. The literature also proposes that OL needs multi-skill training [14,48,62]. The application of multi-skill training can improve individuals’ abilities and widen their visions and make them more inventive mind and skillful [61]. Furthermore, according to Jerez-Gomez and Céspedes-Lorente [22], multi-skill training not only makes individuals extra versatile but it helps them cope with those skills to acquire additional varied knowledge from their self-experience and from others. The research of Jerez-Gomez, Céspedes-Lorente [22] gives proof that ongoing training improves OLC, which in turn increases organizational performance. Some researchers have investigated a positive association between organizational learning and training which involves ongoing and extensive training [14,61]. Extensive training is positively connected
to organizational learning capability [66,67], knowledge transfer, and the formulation of optimistic learning behavior [65], thereby enhancing organizational performance.

Concluding the contention on the importance of the relationship, this research posits the following hypotheses:

**Hypothesis 1.** Training and development are positively related to organizational performance.

**Hypothesis 2.** Long-term-oriented training in Training and Development (T and D) is positively related to organizational performance.

**Hypothesis 3.** Team-oriented training in T and D is positively related to organizational performance.

**Hypothesis 4.** Ongoing training in T and D is positively related to organizational performance.

**Hypothesis 5.** Extensive training in T and D is positively related to organizational performance.

**Hypothesis 6.** Multi-skill training in T and D is positively related to organizational performance.

**2.2. The Moderating Role of Organizational Learning Capability**

OLC is termed as managerial characteristics that provide the OL methods or permit an organization or firm to learn [45,68,69]. Various scholars, consultants, and managers have considered that OLC accrues positive performance advantages from constructing firms’ capability to learn, but the empirical support and strength of such a relationship remains unsolved [68]. According to Camps and Luna-Arocas [48], a learned organization is fully skilled in the abilities of creativity, innovation, acquiring and transferring knowledge, and adapting its attitudes to replicate new knowledge and insights. It does not matter which approach is considered but the growing concern in this area is that organizational learning conceptualizations require to be tested among various levels of analysis within the business, individual, and organization [49], and specifically with organizational performance [68]. Human resource practices involving training and development are the basic resources through organizations that can affect and shape the skills, behavior, and attitudes of human capital [31,61]. Moreover, training and development can formulate an organizational culture that motivates individuals to acquire knowledge and skills and transfer it inside the organization [62]. In this article, OLC has been used as a moderator to confirm the effect of this construct on training and development and organizational performance in the service sector of Pakistan. Based on the above conclusion, it can be hypothesized that:

**Hypothesis 7.** OLC moderates the relationship between training and development and organizational performance.

In summary, the literature reveals that training and development and its different dimensions improve not only individual but also organizational performance. Such improvement in performance is strengthened by both individual and group learning, leading to organizational learning capabilities. Improvement in the performance of employees adds up to the performance of the industry and sector. Previous literature might have examined the mediating role of organizational learning capabilities but the moderating role of organizational capabilities in such a relationship has not been examined so far, to the best of the researcher’s knowledge, especially in the service sector of KP, Pakistan.

**2.3. Conceptual Framework**

The conceptual framework is based on organizational learning theory, explaining how organizational learning happens and the means to establish and keep a learning organization within the firms [70]. In this study, the researcher focuses on the assimilation theory of organizational learning because this theory stresses action-based changes that
occur in an individual employee and subsequently are learned through performance. These
techniques classified learning as rational, observable, and quantifiable [70]. On the other
hand, Senge [71] shows a learning method involves three stages which are knowledge
acquisition, knowledge sharing, and knowledge utilization. All these three stages are firmly
interconnected behaviorally and concentrated on practical usage more than cognition.
A final agreement on organizational learning theory is linked with organizations; the
idea of whether these organizations want to promote and develop their human capital
to and development and learning process [71]. It is mentioned
in the literature that OLC plays a significant role in the relationship between training
and development and organizational performance and is interrelated to each other in
one way or another way [14]. This study focuses on the integration model of training and
development and organizational performance under the moderating effect of OLC to
test such a relationship in the context of the service sector in a developing country, such
as Pakistan.

Based on the above principles, a conceptual framework is developed in which the first
part describes the relationship of training and development and its dimensions, i.e., long-
term-oriented training, LOT, team-oriented training, TOT, ongoing training, OGT, extensive
training, EXT, and multi-skill training, MST, with organizational performance (Figure 1). In
the last step, the moderating effect on the relationship between training and development
and organizational performance has been sketched.

Figure 1. Conceptual framework. Note: LOT = long-term-oriented training, TOT = team-
oriented training, OGT = ongoing training, EXT = extensive training, IL = individual learning,
GL = group learning.

3. Methodology

This study uses a quantitative approach, employing a cross-sectional survey method
as suggested by Hair [72]. The total population of the study was 5000. Based on Krejcie and
Morgan’s (1970) method, a sample of 357 was selected for data collection. Proportionate
stratified random sampling was preferred for this study. The selected participants for this
research were employees (managers of various levels) working in the five selected service
sectors. The unit of analysis for this research was the service sector made on the assumption
of aspects pertaining to training and development, OLC, and organizational performance
influence the whole organization as seen in Table 1. The structured survey items having
500 sets were dispensed equally at each service industry of KP, Pakistan, and responses
were gathered from the selected population target. In addition, an email option was also
provided to participants who were interested to reply via email for achieving a promising figure for data analysis. A total number of 357 questionnaires were returned, making the response rate 71%. The returned survey items were then put in SPSS software for coding and decoding purposes. Detailed scrutiny of questionnaires was put into practice to remove the missing items and outliers. This study used a 5-point Likert scale. Data were analyzed by using a descriptive technique and partial least squares structural equation modeling PLS-SEM 3.2.7.

Table 1. Gender and sector-wise distribution of the population and sample.

<table>
<thead>
<tr>
<th>S. No</th>
<th>Name of Service Sector</th>
<th>Population Number of Employees</th>
<th>Total</th>
<th>Sample (n)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Total</td>
<td>Male</td>
</tr>
<tr>
<td>1</td>
<td>Oil and Gas Development Company Limited</td>
<td>800</td>
<td>200</td>
<td>1000</td>
<td>80</td>
</tr>
<tr>
<td>2</td>
<td>Pakistan Telecommunication Company Limited</td>
<td>850</td>
<td>150</td>
<td>1000</td>
<td>85</td>
</tr>
<tr>
<td>3</td>
<td>Pakistan Tobacco Board</td>
<td>900</td>
<td>100</td>
<td>1000</td>
<td>90</td>
</tr>
<tr>
<td>4</td>
<td>Pakistan International Airlines</td>
<td>600</td>
<td>400</td>
<td>1000</td>
<td>60</td>
</tr>
<tr>
<td>5</td>
<td>Pakistan Railway</td>
<td>750</td>
<td>250</td>
<td>1000</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3900</td>
<td>1100</td>
<td>5000</td>
<td>390</td>
</tr>
</tbody>
</table>

3.1. Measures

3.1.1. Training and Development

The scales of nine items applied in this paper were taken from the measures employed by Valle and Martin [73], and Chen and Huang [61]. All items have an established range of reliability and validity (0.71–0.82) out of which all the practices of training were covered, such as long-term-oriented training, team-oriented training, multi-skill training, and so on. These constructs were measured using a five-point Likert scale ranging from strongly disagree, 1, to strongly agree, 5.

3.1.2. Organizational Learning

Organizational learning is a multidimensional construct and literature has employed various measures of organizational learning depending on the nature of the study. This article has taken OL as an OLC which can be measured in the context of individual, group, and organizational learning capability. The scales of six items employed in this paper were taken from the study of Bontis [74], including sustainability, because the research of Bontis provides measures for all three levels of OL. The items taken from the previous study of the aforementioned scholar have a recommended range of reliability and validity (0.75–0.880). A five-point Likert scale ranging from strongly disagree, 1, to strongly agree, 5, was used to measure the items of all three levels of the construct.

3.1.3. Organizational Performance

Past researchers have used various measures for performance. Several academicians employ distinguished measures of organizational performance, such as profitability, market share, and effectiveness. This study extracted the measures of organizational performance from the research of Aragón and Jiménez [14], along with confirmed reliability and validity of 0.79 to 0.855. A five-point Likert scale with five items ranging from strongly disagree, 1, to strongly agree, 5, was used to measure the items of the construct.

3.2. Data Analysis

The data were assessed by using statistical methods, such as SPSS 23, and the two-stage model was followed by applying PLS-SEM 3.2.7 [75]. The data were analyzed by
using a measurement model to analyze construct reliability and validity, and hypotheses were tested with a structural model. PLS-SEM involves two types of models, namely the measurement model and the structural model, which can be explained briefly in the sections to follow.

3.3. Measurement Model

The measurement model shows the relationship between indicators and underlying constructs, especially in reflective constructs. In the measurement model, construct reliability and validity were assessed. Construct reliability can be measured using the internal consistency method by using Cronbach’s alpha estimates. The cut-off value for Cronbach’s alpha falls in the range of 0.70, while the validity of the construct can be identified through convergent validity and discriminant validity [75,76]. Convergent validity has been determined through factor loadings, average variance extracted, and composite reliability. The cut-off values for factor loadings, AVE, and composite reliability are 0.60, 0.50, and 0.70, respectively [76]. All the constructs and items involved in this study have qualified the limit of cut-off values regarding factor loadings, AVE, and composite reliability. On the other hand, discriminant validity is also an important factor to determine in a measurement model. Discriminant validity can be measured using Fornell–Larcker criteria, cross-loadings, and Heterotrait–Monotrait ratios. According to Bagozzi and Yi [77], the square root of AVE should be greater than the corresponding diagonal values of all the variables. In the same way, the HTMT ratio would be established when all the values have values less than the cut-off value of 0.90 [76]. Hence, this study attains discriminant validity. On the other hand, this article includes formative constructs as well as training and development and organizational learning capability. Both these constructs act as second-order formative and their dimensions have been taken as formative indicators. Formative constructs are also assessed through measuring its path coefficient significance level, convergent validity, and collinearity statistics. Figure 2 shows the relationship among the reflective constructs and formative constructs and their items, along with factor loadings.

![Figure 2. Measurement model.](image-url)
Table 2 describes all the values of factor loadings, including AVE, Cronbach’s alpha, and composite reliability. In this article, all values qualify for the cut-off limit required for PLS-SEM construct reliability and validity estimates.

Table 2. Construct reliability and validity.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Training and development</th>
<th>Organizational learning capability</th>
<th>Organizational performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOT1</td>
<td>0.841</td>
<td>OLC1</td>
<td>0.811</td>
</tr>
<tr>
<td>LOT2</td>
<td>0.890</td>
<td>OLC2</td>
<td>0.848</td>
</tr>
<tr>
<td>LOT3</td>
<td>0.862</td>
<td>OLC3</td>
<td>0.782</td>
</tr>
<tr>
<td>TOT1</td>
<td>0.854</td>
<td>IL1</td>
<td>0.707</td>
</tr>
<tr>
<td>TOT2</td>
<td>0.739</td>
<td>IL2</td>
<td>0.751</td>
</tr>
<tr>
<td>TOT3</td>
<td>0.772</td>
<td>IL3</td>
<td>0.809</td>
</tr>
<tr>
<td>OGT1</td>
<td>0.800</td>
<td>GL1</td>
<td>0.836</td>
</tr>
<tr>
<td>OGT2</td>
<td>0.819</td>
<td>GL2</td>
<td>0.783</td>
</tr>
<tr>
<td>OGT3</td>
<td>0.726</td>
<td>GL3</td>
<td>0.882</td>
</tr>
<tr>
<td>EXT1</td>
<td>0.760</td>
<td>EXT2</td>
<td>0.812</td>
</tr>
<tr>
<td>EXT2</td>
<td>0.779</td>
<td>EXT3</td>
<td>0.779</td>
</tr>
<tr>
<td>EXT3</td>
<td>0.869</td>
<td>MST1</td>
<td>0.826</td>
</tr>
<tr>
<td>MST2</td>
<td>0.826</td>
<td>MST3</td>
<td>0.725</td>
</tr>
<tr>
<td>MST3</td>
<td></td>
<td>OGT3</td>
<td></td>
</tr>
<tr>
<td>OLC1</td>
<td></td>
<td>OLC2</td>
<td></td>
</tr>
<tr>
<td>OLC2</td>
<td></td>
<td>OLC3</td>
<td></td>
</tr>
<tr>
<td>IL1</td>
<td></td>
<td>IL2</td>
<td></td>
</tr>
<tr>
<td>IL2</td>
<td></td>
<td>IL3</td>
<td></td>
</tr>
<tr>
<td>IL3</td>
<td></td>
<td>GL1</td>
<td></td>
</tr>
<tr>
<td>GL1</td>
<td></td>
<td>GL2</td>
<td></td>
</tr>
<tr>
<td>GL2</td>
<td></td>
<td>GL3</td>
<td></td>
</tr>
<tr>
<td>OP1</td>
<td>0.734</td>
<td>OP2</td>
<td>0.819</td>
</tr>
<tr>
<td>OP2</td>
<td></td>
<td>OP3</td>
<td>0.844</td>
</tr>
<tr>
<td>OP3</td>
<td></td>
<td>OP4</td>
<td>0.864</td>
</tr>
<tr>
<td>OP4</td>
<td></td>
<td>OP5</td>
<td>0.803</td>
</tr>
<tr>
<td>OP5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOT1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOT2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOT3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOT</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In order to determine discriminant validity, the values of Fornell–Larcker criteria and HTMT are shown in Tables 3 and 4, respectively.

Table 3. Fornell–Larcker criteria.

<table>
<thead>
<tr>
<th></th>
<th>EXT</th>
<th>GL</th>
<th>IL</th>
<th>LOT</th>
<th>MST</th>
<th>OGT</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXT</td>
<td>0.784</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GL</td>
<td>0.540</td>
<td>0.835</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IL</td>
<td>0.650</td>
<td>0.540</td>
<td>0.757</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LOT</td>
<td>0.729</td>
<td>0.465</td>
<td>0.664</td>
<td>0.864</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MST</td>
<td>0.719</td>
<td>0.497</td>
<td>0.654</td>
<td>0.701</td>
<td>0.809</td>
<td></td>
</tr>
<tr>
<td>OGT</td>
<td>0.621</td>
<td>0.435</td>
<td>0.554</td>
<td>0.614</td>
<td>0.601</td>
<td>0.783</td>
</tr>
<tr>
<td>OLC</td>
<td>0.537</td>
<td>0.664</td>
<td>0.506</td>
<td>0.485</td>
<td>0.464</td>
<td>0.434</td>
</tr>
<tr>
<td>OP</td>
<td>0.649</td>
<td>0.625</td>
<td>0.624</td>
<td>0.657</td>
<td>0.566</td>
<td>0.590</td>
</tr>
<tr>
<td>TD</td>
<td>0.775</td>
<td>0.559</td>
<td>0.737</td>
<td>0.700</td>
<td>0.653</td>
<td>0.793</td>
</tr>
<tr>
<td>TOT</td>
<td>0.681</td>
<td>0.467</td>
<td>0.634</td>
<td>0.757</td>
<td>0.650</td>
<td>0.622</td>
</tr>
</tbody>
</table>
Table 4. Heterotrait–Monotrait ratio.

<table>
<thead>
<tr>
<th></th>
<th>EXT</th>
<th>GL</th>
<th>IL</th>
<th>LOT</th>
<th>MST</th>
<th>OGT</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXT</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GL</td>
<td>0.735</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IL</td>
<td>0.800</td>
<td>0.711</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LOT</td>
<td>0.861</td>
<td>0.575</td>
<td>0.624</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MST</td>
<td>0.770</td>
<td>0.656</td>
<td>0.726</td>
<td>0.881</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>OGT</td>
<td>0.606</td>
<td>0.592</td>
<td>0.845</td>
<td>0.808</td>
<td>0.836</td>
<td>1.00</td>
</tr>
<tr>
<td>OLC</td>
<td>0.752</td>
<td>0.863</td>
<td>0.677</td>
<td>0.616</td>
<td>0.633</td>
<td>0.605</td>
</tr>
<tr>
<td>OP</td>
<td>0.839</td>
<td>0.755</td>
<td>0.805</td>
<td>0.770</td>
<td>0.694</td>
<td>0.759</td>
</tr>
<tr>
<td>TD</td>
<td>0.509</td>
<td>0.660</td>
<td>0.779</td>
<td>5.150</td>
<td>0.533</td>
<td>1.010</td>
</tr>
<tr>
<td>TOT</td>
<td>0.709</td>
<td>0.628</td>
<td>0.669</td>
<td>0.869</td>
<td>0.888</td>
<td>0.896</td>
</tr>
</tbody>
</table>

3.4. Structural Model

The structural model is used to identify the regression part of the model, as well as hypotheses were also tested through the structural model in PLS-SEM. Additionally, R-square, effect size, and Q-square values were determined in the structural model. The structural model has the potential of examining the direct effect among the variables. It also measured the indirect effect, whether it is due to an intervening variable or moderating variable [75]. The structural model shows the path coefficient and its significance level through the t-statistics value. All the primary metrics of the structural model were evaluated and their results are revealed in Tables 4–6, respectively. The findings of path coefficient and t-statistics values are displayed in Table 7. The magnitude of the path coefficient lies between +1/−1 and its significance level should be confirmed through t-statistics values, which are 1.96 [78]. Figure 3 exhibits the relationships, path coefficients, and t-statistics values of different constructs involved in the study. In addition, the moderating effect of OLC on the relationship between training and development and organizational performance can be seen clearly in Figure 3.

Table 5. R-square values.

<table>
<thead>
<tr>
<th></th>
<th>R-Square</th>
<th>R-Square Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>OLC</td>
<td>0.496</td>
<td>0.490</td>
</tr>
<tr>
<td>OP</td>
<td>0.592</td>
<td>0.589</td>
</tr>
<tr>
<td>TD</td>
<td>1.000</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Table 6. f-square values.

<table>
<thead>
<tr>
<th></th>
<th>TD</th>
<th>OP</th>
<th>OLC</th>
<th>IL</th>
<th>GL</th>
</tr>
</thead>
<tbody>
<tr>
<td>TD</td>
<td>0.046</td>
<td>0.049</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OP</td>
<td></td>
<td></td>
<td>0.090</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OLC</td>
<td></td>
<td></td>
<td></td>
<td>0.003</td>
<td></td>
</tr>
<tr>
<td>IL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.018</td>
</tr>
</tbody>
</table>
The structural model is used to identify the regression part of the model, as well as hypotheses were also tested through the structural model in PLS-SEM. Additionally, R-square, effect size, and Q-square values were determined in the structural model. The structural model has the potential of examining the direct effect among the variables. It also measured the indirect effect, whether it is due to an intervening variable or moderating variable [75]. The structural model shows the path coefficient and its significance level through the t-statistics value. All the primary metrics of the structural model were evaluated and their results are revealed in Tables 4–6, respectively. The findings of path coefficient and t-statistics values are displayed in Table 7. The magnitude of the path coefficient lies between \( +1 \) and its significance level should be confirmed through t-statistics values, which are 1.96 [78]. Figure 3 exhibits the relationships, path coefficients, and t-statistics values of different constructs involved in the study. In addition, the moderating effect of OLC on the relationship between training and development and organizational performance can be seen clearly in Figure 3.

R-square identifies the predictive accuracy of the model and specifies those variations which happen due to the exogenous construct on the endogenous construct [79]. The cut-off values for R-square are 0.75, 0.50, and 0.25 and are reported as significant, moderate, and weak [79]. Table 5 shows the R-square values in detail.

On the other hand, effect size calculates the remaining variance of R\(^2\) in endogenous constructs. The cut-off values for \( f^2 \) were found to be 0.02, 0.15, and 0.35 denoting small, medium, and large effects [76]. Table 6 reveals all the values of effect size briefly.

Furthermore, predictive relevance or construct redundancy, which is called Q-square, can be identified by using a blindfolding technique in PLS-SEM [80]. Predictive relevance is only examined for endogenous constructs in the model. The cut-off values must be higher than 0. All values of the Q-square are displayed in Table 7.

### Table 7. Q\(^2\) values.

<table>
<thead>
<tr>
<th></th>
<th>Q(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>0.354</td>
</tr>
<tr>
<td>OP</td>
<td>0.243</td>
</tr>
<tr>
<td>OLC</td>
<td>0.134</td>
</tr>
</tbody>
</table>

Figure 3. Structural model.

R-square identifies the predictive accuracy of the model and specifies those variations which happen due to the exogenous construct on the endogenous construct [79]. The cut-off values for R-square are 0.75, 0.50, and 0.25 and are reported as significant, moderate, and weak [79]. Table 5 shows the R-square values in detail.

On the other hand, effect size calculates the remaining variance of R\(^2\) in endogenous constructs. The cut-off values for \( f^2 \) were found to be 0.02, 0.15, and 0.35 denoting small, medium, and large effects [76]. Table 6 reveals all the values of effect size briefly.

Furthermore, predictive relevance or construct redundancy, which is called Q-square, can be identified by using a blindfolding technique in PLS-SEM [80]. Predictive relevance is only examined for endogenous constructs in the model. The cut-off values must be higher than 0. All values of the Q-square are displayed in Table 7.

### 3.5. Hypotheses Testing

In this part of the article, all the direct and indirect hypotheses were tested. First, all the hypotheses were measured, which have been developed based on a direct relationship between training and development and its dimensions with organizational performance and OLC and its dimensions. On the other hand, the hypothesis related to the moderating effect of OLC on the relationship between training and developed and organizational performance was also tested. Table 8 explicitly shows the entire direct hypothesis made based on mentioned literature including its path coefficients, t-statistics, and \( p \)-values. This table also displays the moderating findings of OLC.
This hypothesis was developed to examine the relationship between training and development and organizational performance. Results reveal that training and development are positively and significantly related to organizational performance. The path coefficient and t-values of training and development and organizational performance were examined as 0.356, t-statistic = 4.132. This hypothesis is duly confirmed by the empirical results.

H2 signifies that the long-term-oriented training dimension of T and D is positively linked with organizational performance. Results show that long-term-oriented training and organizational performance have a path coefficient of 0.100, with t-statistic = 4.059. This means that both constructs have a strong positive and significant relationship with each other.

H3 signifies that the team-oriented training dimension of T and D is positively linked with organizational performance. Results show that team-oriented training and organizational performance have a path coefficient of 0.079, with t-statistic = 4.143. This means that both constructs have a strong positive and significant relationship with each other.

This hypothesis was developed to examine the positive relation ongoing training dimension of T and D and OP. It is obvious from the findings that ongoing training is positively and significantly related to OP. The path coefficient and t-values of ongoing training and OP were reported as 0.050, t-statistic = 3.012. This hypothesis is endorsed by the empirical results.

This hypothesis was formulated to identify the positive relation between the extensive training dimension of T and D and OP. It is apparent from the findings that extensive training is positively and significantly related to OP. The path coefficient and t-values of extensive training and OP were reported as 0.056, t-statistic = 3.041. This hypothesis is supported by the empirical findings.

This hypothesis was formulated to highlight the positive relation of the multi-skill training dimension of T and D and OP. It is explicitly apparent from the findings that multi-skill training is positively and significantly related to OP. The path coefficient and t-values of multi-skill training and OP were reported as 0.054, t-statistic = 3.100. This hypothesis is supported by the empirical findings.

This hypothesis discloses that OLC moderates the relationship between training and development and organizational performance. It was found that OLC significantly moderates such relationships. The path coefficient and t-value for the moderating effect of OLC on the relationship of T and D and OP is −0.081, t-value = 2.303. Again, this hypothesis was also confirmed accordingly.

4. Discussion

This article concentrates on the integration of training and development, organizational learning capability, and organizational performance. However, the predicted positive impact of training and development on organizational performance has not generally given evidence to endorse it. This study uncovers the perception that training and develop-
ment cannot affect performance directly but they have an indirect impact on improving organizational learning capability. The available literature on the relationship between training and development and OLC and between OLC and organizational performance provides full support to the concept that OLC may moderate the association between training and development and organizational performance. However, no empirical study has investigated this relationship. The primary aim of this article was to fill the gap and examine the relationship of training and development and its dimensions with organizational performance, specifically the moderating role of OLC in such a relationship. The results of this study are in line with the past theoretical and empirical studies of [48,55,58,81] in terms of the association between T and D and its dimensions with organizational performance. Consequently, our results give additional evidence regarding the significance of organizational learning for firm success. The findings of this study also give empirical evidence that various dimensions of training and development, i.e., long-term-oriented training, team-oriented training, extensive training, ongoing training, and multi-skilled training have a positive and significant relationship with OP. These findings confirm the previous theoretical literature and are in consonance with several empirical studies on this issue [14,22,61,81,82], and reveal that training and development are the core instruments in improving organizational capability and performance of organizations. Hence, such results endorse the previous literature regarding the direct relationship between training and development with organizational performance. The moderating role of organizational learning capabilities in such a relationship is a further addition and contribution to the literature. The results of this study also support organizational learning theory and the assimilation theory of learning.

5. Conclusions, Limitations, and Future Research

The key contributions of this article are that at first, it touches on the “black box” between training and development and organizational performance, and further investigates whether either OLC moderates such a relationship. The results of the study conclude that training and development and its dimensions, i.e., long-term-oriented training, team-oriented training, extensive training, ongoing training, and multi-skilled training have a significant positive effect on the organizational performance of managers in the service sector. The literature at hand predicts that the association between training and development and organizational performance can be mediated by various constructs. Nevertheless, empirical evidence on such moderating relationships were very scant and no such research was found regarding the moderating role of OLC in such a context. Hence, this article gives empirical proof that confirms the moderating role of OLC. The study on the moderating role of OLC on the relationship between training and development with organizational performance is the first of its kind in the service sector of KP, Pakistan.

This research also bears implications for researchers and academicians. Like past studies, our data signifies that in order to accomplish improved performance, organizations progress their OLC. The logic behind this argument is that in OLC, organizational knowledge empowers organizations to preempt and better comprehend customer requirements and the competitive milieu. This study further strengthens the notion of enhancing organizational output through OLC within employees and how to generate knowledge faster and develop new products for gaining a competitive advantage. In addition, this study emphasizes that a prominent instrument to enhance the OLC and its three dimensions is training and development. Organizations such as the service sector in Pakistan need to be aware that training and development will not result in improved performance directly but training must be subjected to improve OLC. In simple words, organizations need to implement learning-oriented training.

Moreover, our result proposes that training must be planned in terms of learning-oriented to boost OP within organizations. The motive behind this argument is that designing training improves individual learning capabilities in terms of aptitudes and inspiration to obtain information, group learning capabilities in terms of efficacy for func-
tioning in groups, and stimulation for sharing knowledge and OP in terms of strategy, culture, and systems preferring organizational learning.

The findings of this article would not be inferred without knowing its limitations. The key one is adopting a cross-sectional design. This limitation can be bypassed by using a longitudinal design. Another limitation is this paper purposely attempted to identify issues related to OLC, training and development, and performance in the service sector of Pakistan, and it can be hardly generalized to other contexts.

The key recommendations for the future researcher are to examine the relationship between HR practices and OLC. Secondly, another future study can be made on the effect of training and development on job performance and OLC. Future scholars can also test this model in other settings, such as academia and telecommunications, to further validate these findings and draw more subtle results.

Author Contributions: Conceptualization, A.H.; Methodology, A.H., D.A.R. and Z.T.M.; Software, D.A.R.; Validation, M.Q.K.M.; Formal analysis, A.H. and M.Q.K.M.; Investigation, M.T.K.; Resources, Z.T.M.; Data curation, M.K.; Writing—original draft, M.K.; Writing—review & editing, M.K. and M.T.K. All authors have read and agreed to the published version of the manuscript.

Funding: This research received no external funding.

Institutional Review Board Statement: Not applicable.

Informed Consent Statement: Not applicable.

Data Availability Statement: Not applicable.

Conflicts of Interest: Author declares no conflict of interest.

References
13. Boadu, F.; Xie, Y.; Du, Y.-F.; Dwomo-Fokuo, E. MNEs subsidiary training and development and firm innovative performance: The moderating effects of tacit and explicit knowledge received from headquarters. Sustainability 2018, 10, 4208. [CrossRef]


26. Khan, M.; Parvaz, G.S.; Bashir, N.; Imtiaz, S.; Bae, J. Students’ key determinant structure towards educational technology acceptance at universities, during COVID 19 lockdown: Pakistani perspective. *Cogent Educ.* 2022, 9, 2039088. [CrossRef]


41. Kyriakidou, O.; Maroudas, I. Training and development in British hospitality, tourism and leisure SMEs. *Manag. Leis.* 2010, 15, 32–47. [CrossRef]


58. Rhodes, J.; Lok, P.; McLean, G.N.; Fang, S.-C. An integrative model of organizational learning and social capital on effective knowledge transfer and perceived organizational performance. J. Workplace Learn. 2008, 20, 245–258. [CrossRef]
75. Hair, J.F.; Ringle, C.M.; Sarstedt, M. PLS-SEM: Indeed a silver bullet. J. Mark. Theory Pract. 2011, 19, 139–152. [CrossRef]


**Disclaimer/Publisher’s Note:** The statements, opinions and data contained in all publications are solely those of the individual author(s) and contributor(s) and not of MDPI and/or the editor(s). MDPI and/or the editor(s) disclaim responsibility for any injury to people or property resulting from any ideas, methods, instructions or products referred to in the content.