Impact of Training on Employee Performance: A Case Study of Private Organization in Sri Lanka

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Abstract: The achievement or ruin of the firm depends on its employee performance. Therefore, top management understood the importance of investing in training and development for the sake of improving employee performance. Hence, employees are the most valuable asset of every company as they can make or break a company’s reputation and can adversely affect profitability. In research methodology, researcher applied reliability analysis to determine the internal consistency among the items initially. Then descriptive statistics, correlation and regression model have been applied to address the objectives and followed diagnostic tests to test the validity of results. Employees often are responsible for the great bulk of necessary work to be done as well as customer satisfaction and the quality of products and events. Without proper training, employees both new and current do not receive the information and develop the skill sets necessary for accomplishing their tasks at their maximum potential. Employees who undergo proper training tend to keep their jobs longer than those who do not.

Keywords: Training, Performance, Perception

I. Introduction

1.1. Background Of The Study

The human resource is the main resource of the organization, because human resource is one of resource on live and animate than other resources of the organization. The effective use of human resource (HR) practices is generally considered as a source of competitive advantage to an organization (Huselid, 1998). If the HR practices are used effectively, the organization will benefit from implementation. One of the core functions of HR is employee training since it directly influence on productivity of the organization and employee relation of the organization. It has been long recognized that effective staff training allows an organization to improve its standard and quality of service to customers.

Success or failure of an organization generally depends on the quality of its human resources and the human resource has played a significant role in the economic development in most developed countries such as Japan, Britain and United States of America. In a country like Zimbabwe the same can be done, if the appropriate attention is given to the development and training of human resources (Bernstein, 2008).

Improved capabilities, knowledge and skills of the talented workforce proved to be a major source of competitive advantage in a global market (Mckinsey, 2006). To develop the desired knowledge, skills and abilities of the employees, to perform well on the job, requires effective training programs that may also affect employee motivation and commitment (Meyer and Allen, 1991). In order to prepare their workers to do their job as desired, organizations provides training as to optimize their employee’s potential. Most of the firms, by applying long term planning, invest in the building new skills by their workforce, enabling them to cope with the uncertain conditions that they may face in future, thus, improving the employee performance through superior level of motivation and commitment. When employees recognize their organization interest in them through offering training programs, they in turn apply their best efforts to achieve organizational goals, and show high performance on job.

1.2. Problem Statement

Employee is a key element of the organization. The success or failure of the organization depends on employee’s performance. Therefore, organizations are investing huge amount of money on employees’ training but not improve employee performance through training, as well as employee performance is lower than the expected level. This will directly affect to the performance of the organization, on the other hand mostly use training methods for improving employee performance but not met expected levels of the organization.
1.3. Research Question
1. What is the level of training related factors and employees’ performance?
2. What is the impact of training on employee performance?

1.4. Research Objectives
1. To identify the level of training related factors and employees’ performance.
2. To determine the impact of training on employee performance.

1.5. Significance of the Study
The way training and development and employee relation has an impact to achieve business objectives and the competitive advantage that are having agile workforce. As an organization, in which way could support to enhance the industrial relation in the country. Accordingly, the results will be very useful in strategic decision makings.

II. Literature Review
According to Farooq, M. & Aslam M.K. (2011) managers are trying their level best to develop the employee’s capabilities, ultimately creating good working environment within the organization. For the sake of capacity building managers are involved in developing the effective training programs for their employees to equip them with the desired knowledge, skills and abilities to achieve organizational goals. This struggle by the top management not only improves the employee performance but also creates positive image of the firm worldwide. (Jia-Fang, 2010). Effective training programs help employees to get acquaintance with the desired new technological advancement, also gaining full command on the competencies and skills required to perform at a particular job and to void on the job errors and mistakes.

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Amongst the important function of human resource management, one of the crucial function is employee development through proper training and development programs. Employee development refers to the capacity and capability building on an employee, and thus as of whole organization, to meet the standard performance level (Elena P. 2000). More the developed employees, more they are satisfied with their job, hence increasing the firm productivity and profitability. (Champathes, 2006).

Amir Elnaga., Amen Imran (2013) In spite of the large number of researches on the relationship between training and employee performance, there appears to be a gap, concerning the study of effect of training on employee performance. The purpose of this study is to close this gap by deeply investigating this phenomenon through the relevant literature, shedding more light into the relationship of training effectiveness, and superior employee performance and providing suggestions to the firms as how they can make best use of training programs to make their employees perform well on job training not only develops the capabilities of the employee but sharpen their thinking ability and creativity in order to take better decision in time and in more productive manner. Moreover it also enable employees to deal with the customer in an effective manner and respond to their complaints in timely manner (Hollenbeck, Derue and Guzzo, 2004). Training develops self-efficacy and results in superior performance on job by replacing the traditional weak practices by efficient and effective work related practices (Kathiravan, Devadason and Zakkeer, 2006).

If an organization wants to develop the competitive edge then training help the organization to get the edge when employees are highly develop with the help of training in their work and it help the organization to retain the core competencies (Pfanner 1994). At the start of the twenty-first century human resource managers have opined that one of the main challenges they are to confront had involved issues related to training and development (Stavrou, Brewster and Charalambous 2004).

Neo said in 2008 that training is a deliberate and preplanned attempt which is related to the job competencies so that employees’ learning is being facilitated. The role and contribution of human resource development has gained more acceptability and significance in the occupation of reforms and restructuring. One of the key functions of human resource development is addressing and identifying at work setting the demonstrated behavior of individuals and their perceived attitude towards work. By the help of provision of adequate and appropriate training to the workers the organizations can have high productivity as per human capital theory (Becker, 1998).
Organizational Learning, on the other hand, refers to the “efficient procedure to process, interpret and respond to both internal and external information of a predominantly explicit nature. According to Easterby-Smith, M. P. V. & Araujo, L. M. (1999), the emergence of the concept of Organizational Learning is central on the hitherto idea that prior Advocacies of Learning are tended to its commercial significance and are lacking of empirical information on learning processes.

Strategically, Organizational Learning, which makes use of training and development as one of the several responses, deals with the acquisition of understanding, know-how, techniques and practices. These intellectual intangibles can be translated into an organizational resource through the people that acquire, infer and utilize such towards the achievement of the organization-wide training and development (Armstrong, 2006). Training and Development are planned learning experiences which teach employees how to perform current and future jobs more effectively. Sims (2002) emphasizes that training focuses on present jobs while development prepares employees for possible future jobs. Basically, the objective of training and development is to contribute to the organization's overall goal.

Donovan et al. (2001) had a research and finding of that research was that employees are more active and quick in responding and accepting changes, built their inner confidence stronger and develop understanding to the supportive to their peers, once they participate in different types of training programs. Comprehensive training and development program helps in deliberating on the knowledge, skills and attitudes necessary to achieve organizational goals and also to create competitive advantage (Peteraf, 1993). To have effective, training and development of management programs need to take into account the employees are adults learners (Forrest & Peterson, 2006), Oribabor (2000) said that training and development aim is to developing competences such as technical, human, conceptual and managerial for the furtherance of individuals and organization growth. Pitfield (1982) has an opinion that the main objectives of training are to give skills, knowledge and aptitudes to do required job efficiently develop the workers so that he or she has potentials, he or she may progress increase efficiency by reducing failed work, misuse of machines and lessening physical risks. The customers in the study reported that overall service quality can be improved during the time of receptionist were receive social skills training (Garavan, 1997). Training has a direct relationship with the performance of the employees. Training is a formal and systematic modification of behavior through learning that actually occurs result if education, instruction, development and planned experience (Armstrong, 2006). Practical implication of training is important and effective training is important. Costly but an effective training can save money that is wasted in inexpensive but inefficient training.

In today business world, employee’s skills which are necessary to do their job are only potential through training. Most of the companies train their employees in such a manner that would help them to sustain throughout their careers. This kind of training can lead to high levels of motivation and commitment by the employees, who actually see the opportunity they are given. Training is defined in this study as the planned intervention that is designed to enhance the determinants of individual job performance (Chiaburu & Tekleab, 2005) training is related to the skills thought necessary by the management of an organization that must be acquired by the members of that organization, in order to improve the probability of achievement of its goals. Training offered to employees, may help them reduce their nervousness or frustration, brought on by work demands, that they are not familiar with, and they are lacking the skills to handle effectively.

Training has been an important variable in increasing organizational productivity. Most of researches includingColombo and (Stanca2008), (Oguntimehin 2001) identified the functions of training as follow, increase productivity, improves the quality of work, improves skills, knowledge, understanding and attitude, enhances the use of tools and machine, reduces waste, accidents, turnover, lateness, absenteeism and other overhead costs, eliminates obsolesce in skills, technologies, methods, products, capital management etc. It brings incumbents to that level of performance which needs the performance for the job, enhances the implementation of new policies and regulations, prepares people for achievement, improves man power development and ensures the survival and growth of the enterprise. Akimpelu (1999) postulated that the process of training and development is a continuous one. The need to perform one’s job efficiently and the need to know how to lead others are sufficient reasons for training and development and the desire to meet organizations objectives of higher productivity, makes it absolutely compulsory. The employee performance is going to be more effective if he is trained in good manner and the affective commitment will lead to more emotional type of attachment which is going to improve the work efficiency and helps the organization in succeeding competitive edge in the market because of the training employees stick to the same organization which helps him to develop as commitment more of norm type to help organization (Meyer and Allen, 1990).

Patrick (2006) ensures the vitality of an organization and the core function of HRM are benefits of training and training itself. He also explored that there is link between training and various
Outcomes of organization such as job satisfaction, training, and organizational commitments exist a strong relation.

Training refers to a planned intervention aimed at enhancing the elements of individual job performance (Chiaburu and Tekleab, 2005). It is all about improving the skills that seem to be necessary for the achievement of organizational goals. Training programs may also help the workforce to decrease their anxiety or frustration originated by the work on job (Chen et al., 2004). Those workers who feel themselves to be unable to perform a task with the desired level of performance often decide to leave the firm (Chen et al., 2004); otherwise, their stay at firm will not to productivity (Kanelopoulos and Akrivos, 2006). The greater the gap between the skills necessary and those possessed by the workforce, the higher the job dissatisfaction of the workers. Rowden (2002) suggest that training may also be an efficient tool for improving ones job satisfaction. As employee better performance leads to appreciation by the top management, hence employee feel more adjusted with his job. According to Rowden and Conine (2005), trained employees are more able to satisfy the customers and (Tsai et al., 2007), employees who learn as a result of training program shows a greater level of job satisfaction along with superior performance.

Research has demonstrated that training efforts are unlikely to result in positive changes in job performance unless the newly trained competencies are transferred to the work environment (see Baldwin and Ford, 1988; Montesino, 2002; Rouiller and Goldstein, 1993). As a result, there has been an increased effort to understand the antecedents and consequences of the transfer of training process.

Baldwin and Ford (1988) define transfer of training as ‘the degree to which trainees effectively apply the knowledge, skills, and attitudes gained in the training context to the job’. This suggests that transfer of training first requires a trainee to learn new job-related competencies (Velada & Caetano, 2007). By learning, we are referring to a relatively permanent change in knowledge, skills, and behaviors of trainees (Weiss, 2002). After learning and retaining the training content, trainees should transfer the knowledge and/or skills accrued to the work context with the intention of improving job performance over time.

III. Research Methodology

3.1. Conceptual Framework

![Conceptual Framework](image)

Figure: 1

3.2. Sampling Technique

Simple random sampling will be used in the data collection process. It is expected to select a large sample from the employees in selected organizations.

3.3. Data Collection Method

The primary data was collected through the use of survey questionnaire by drop and pick strategy to ensure high response rate. The use of questionnaire was adopted because it ensured that data collection was standardized such that each respondent got the same question and in the same format. Questionnaires also enabled collection of original data from the sample of the population within a short time and at low cost for purposes of describing the entire population (Ogutu, 2012).

3.4. Analytical Techniques

Data will be analyzed by applying following analytical techniques.

1. Reliability Analysis

Internal consistency of Likert scale items is tested with respect to Cronbach’s Alpha. From this test direction of items is tested.
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2. Descriptive Statistics.
First Objective Will Be Addressed In Relation To Descriptive Statistics. It Is Expected To Understand The Level Of Responses With Regard To Training And Performance.

3. Correlation And Regression Analysis.
Second Objective Will Be Analyzed By Using Correlation And Multiple Regression Analysis. Association Between The Factors Of Training And Performance Is Estimated Through Correlation Analysis. Effect Of These Factors Jointly And Individually Will Be Determined By Applying Regression Model.


IV. Data Analysis

4.1 Reliability Analysis
Researcher Has Used Several Five Points’ Likert Scale Items To Operationalize One Variable. Skills Consist Of Nine Items And Perception And Training Opportunities Are Based On Ten Items Each. There Are Two Items For Training Facilitations And Seven Items For Performance. Internal Consistency Of These Items Has Been Analyzed To Determine The Direction Of Them And The Results Are Given By Table 1.

Table: 1 Internal Consistency

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach’s Alpha</th>
<th>Number Of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skills</td>
<td>0.758</td>
<td>9</td>
</tr>
<tr>
<td>Perception</td>
<td>0.715</td>
<td>10</td>
</tr>
<tr>
<td>Training Opportunities</td>
<td>0.875</td>
<td>10</td>
</tr>
<tr>
<td>Training Facilitations</td>
<td>0.763</td>
<td>2</td>
</tr>
<tr>
<td>Performance</td>
<td>0.602</td>
<td>7</td>
</tr>
</tbody>
</table>

All The Four Exogenous Variables And The Endogenous Variable Are Having Cronbach’s Alpha Values More Than 0.6. This Represents That The Likert Scale Items Included To Operationalize Corresponding Variables Are In Acceptable Level. Therefore, They Are Unidirectional And The Concept And Theory Are Well Represented In The Study. As There Is Internal Consistency Without Dropping Any Item, Researcher Operationalized The Predictors And Predictand To Address The Objectives.

4.2 Level Of Training And Employees’ Performance

Table: 1 Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Skills</th>
<th>Perception</th>
<th>Training Opportunity</th>
<th>Training Facilitation</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>3.8837</td>
<td>3.5056</td>
<td>2.7562</td>
<td>3.5251</td>
<td>3.8354</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.40857</td>
<td>.38930</td>
<td>.33444</td>
<td>.39827</td>
<td>.45127</td>
</tr>
<tr>
<td>Skewness</td>
<td>-.1336</td>
<td>-.393</td>
<td>1.069</td>
<td>-.840</td>
<td>-.685</td>
</tr>
<tr>
<td>Std. Error Of Skewness</td>
<td>.233</td>
<td>.233</td>
<td>.233</td>
<td>.233</td>
<td>.233</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>4.831</td>
<td>1.035</td>
<td>1.795</td>
<td>1.434</td>
<td>1.701</td>
</tr>
<tr>
<td>Std. Error Of Kurtosis</td>
<td>.461</td>
<td>.461</td>
<td>.461</td>
<td>.461</td>
<td>.461</td>
</tr>
</tbody>
</table>

Descriptive Statistics Indicate That Skills And Performance Are In The Level Of Agree As The Mean Values Are Around The Likert Scale Four. Perception And Training Facilities Consist Of Mean Values 3.5 And Their Direction Is Also Towards Agreeing Level. Training Opportunity Represents 2.7 Mean And The Responses Are In Neutral. Comparatively Higher Deviation Is Given By Performance As It Is Having The Highest Standard Deviation. Training Opportunity Consists Of Minimum Variance As The Minimal Standard Deviation Is 0.33.

4.3 Correlation And Regression Analysis

Table: 2 Correlation Analyses

<table>
<thead>
<tr>
<th>Factors</th>
<th>Pearson Correlation</th>
<th>Sig. (2-Tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skills</td>
<td>.648**</td>
<td>.000</td>
</tr>
<tr>
<td>Perception</td>
<td>.648**</td>
<td>.000</td>
</tr>
</tbody>
</table>
According to the correlation analysis, probabilities of skills, perception, and training facilities are significant at 1%. They are having positive coefficient of correlation and the results say that there is a highly significant positive association between them and employees’ performance. Therefore, higher the skills, perception, and training facilities higher the employees’ performance and vice versa. The impact of training on employees’ performance has been analyzed by applying multivariate analysis and researcher used the classical linear regression model (CLRM). Table 3 provides the model summaries.

Table: 3 Model Summaries

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error Of The Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.746</td>
<td>0.557</td>
<td>0.539</td>
<td>0.30628</td>
</tr>
</tbody>
</table>

Multiple coefficients of correlation (R) is 0.746 and the results say that skills, perception, training opportunity, and training facilities are having a strong joint association with employees’ performance. Accordingly, all the exogenous factors are correlated jointly with performance. Coefficient of determination is 0.557 and the result indicates that 55.7% of employees’ performances have been explained by the regression model. Regression ANOVA result is given by Table 4.

Table: 4 Regressions ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum Of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>12.128</td>
<td>4</td>
<td>3.032</td>
<td>32.320</td>
<td>0.000</td>
</tr>
<tr>
<td>Residual</td>
<td>9.662</td>
<td>103</td>
<td>.094</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>21.790</td>
<td>107</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

F test statistic of the model is 32.32 and the corresponding probability is 0.000. The P value is highly significant and the results say that the model is jointly significant. Skills, perception, training opportunity, and training facilities are having joint influence on employees’ performance. As the model is jointly significant, individual effect and their order of effect have been analyzed in Table 5.

Table: 5 Individual Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td>T</td>
<td>Sig.</td>
</tr>
<tr>
<td>(Constant)</td>
<td>.176</td>
<td>.420</td>
<td>.420</td>
<td>.675</td>
<td></td>
</tr>
<tr>
<td>Skills</td>
<td>.401</td>
<td>.109</td>
<td>.363</td>
<td>4.004</td>
<td>.000</td>
</tr>
<tr>
<td>Perception</td>
<td>.402</td>
<td>.109</td>
<td>.346</td>
<td>3.688</td>
<td>.000</td>
</tr>
<tr>
<td>Training Opportunity</td>
<td>-.075</td>
<td>.097</td>
<td>-.056</td>
<td>-.774</td>
<td>.441</td>
</tr>
<tr>
<td>Training Facilitation</td>
<td>.256</td>
<td>.081</td>
<td>.226</td>
<td>3.171</td>
<td>.002</td>
</tr>
</tbody>
</table>

Dependent Variable: Performance

Skills and perception are highly significant factors as the P value is 0.000. Individual beta values are respectively 0.401 and 0.402. As the beta values are positive, skills and perception are having individual positive effect on performance. Training facilitation is also individually significant as the P value is 0.002. The individual coefficient 0.256 says that training facilitation has a positive effect on performance. P value of training opportunity is 0.441 and the result is individually insignificant. This indicates that performance is not influenced by training opportunities. According to the standardized
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Coefficient Of Beta, Most Influencing Factor Is The Perception. Second And Third Influencing Factors Are Skills And Training Facilitation Respectively. All Of Them Influence On Performance Positively.

4.4 Diagnostic Tests

Figure: Residual Behaviors

Standardized Residuals Have Been Presented Against Standardized Predicted Values. They Are Randomly Distributed Without Having Any Predictable Pattern. Therefore, Variance Of Residual Is Constant And No Heteroscedasticity Problem In The Regression Model. Because Of Constant Variance Residuals Are Homoscedastic And The Regression Results Are Appropriate.

Table: Normality Of Residual

<table>
<thead>
<tr>
<th>Standardized Residual</th>
<th>Kolmogorov-Smirnov(\alpha)</th>
<th>Shapiro-Wilk(\alpha)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statistical Df Sig.</td>
<td>Statistical Df Sig.</td>
</tr>
<tr>
<td>Standardized Residual</td>
<td>0.060</td>
<td>108 200* 0.986 108 0.295</td>
</tr>
</tbody>
</table>

As The Mathematical Approach, Researcher Applied Kolmogorov-Smirnov And Shapiro-Wilk Tests To Analyze The Normality Of Residuals. Their P Values Are Respectively 0.20 And 0.295. Results Are Insignificant At 5% And The Standardized Residuals Are Normally Distributed With Zero Mean. Accordingly, Regression Results Are Appropriate.

V. Conclusion


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Influence On Performance Positively. Researcher Suggests That Employees’ Perception Should Be Given The Priority By Management To Improve Their Performance. Without Changing Their Perception Organizational Objectives Cannot Be Achieved. After That Skills Of The Employees Are Needed To Be Improved By Training Programs. For This Achievement, Training Facilitation Must Be Expanded With The Management Involvement.

Reference


ADMIFMS International Management Research Conference 2018