

CHAPTER 2 - LITERATURE REVIEW

2.1 Framework of Thinking

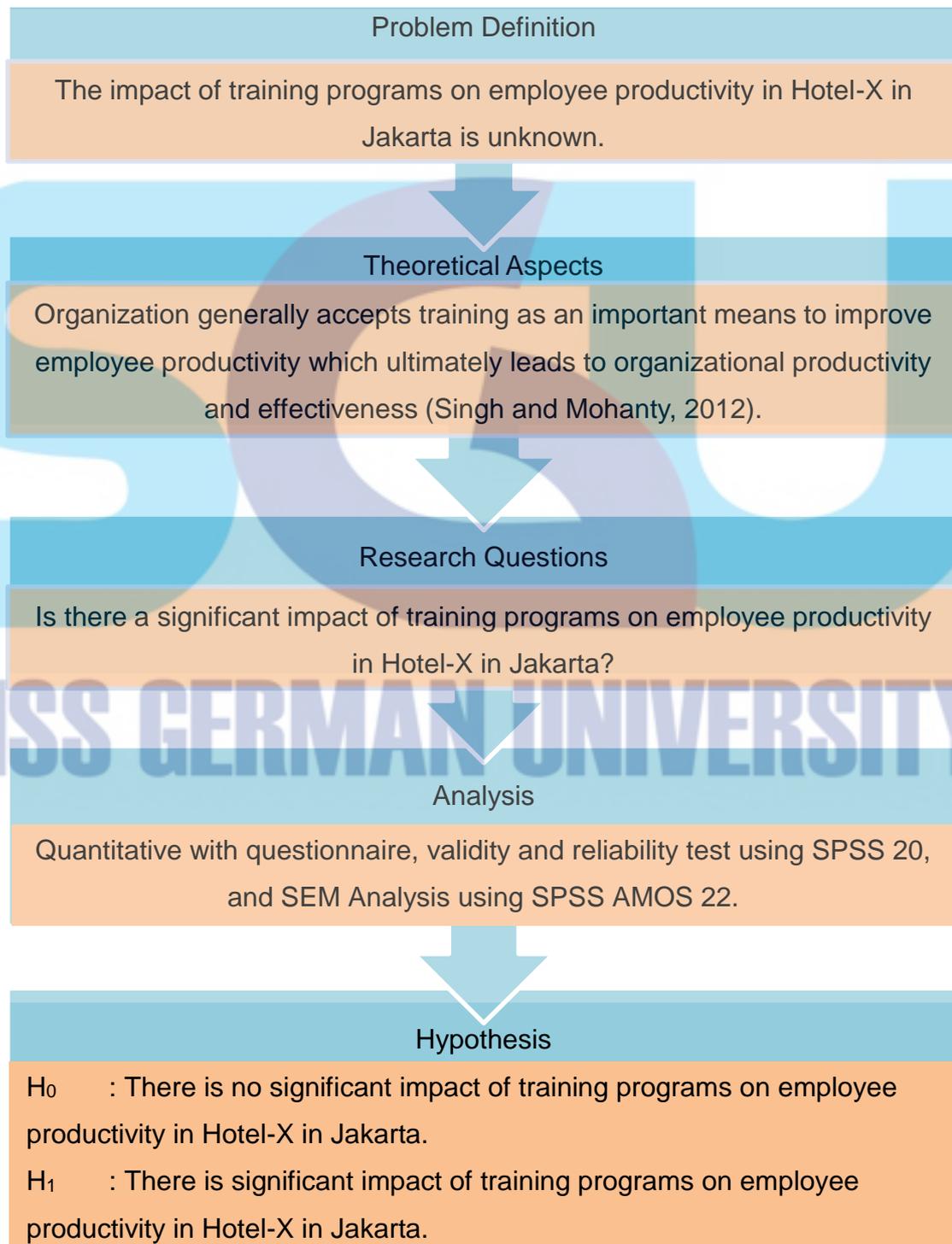


Figure 2.1 Framework of Thinking

2.2 Training Program

A company assists employees' learning of job related competencies through a planned effort which is called training. Knowledge, skills, or behaviors are keys for successful job performance in those competencies. For employees, training aims to understand the knowledge, skill, and behaviors highlighted in training programs, as well as apply and use them in daily activities. Training has to engage with more than just fundamental skill development which will ease a company to achieve a competitive advantage. In order to actualize it, a company should consider training generally as an approach to create intellectual capital. Those who are included in intellectual capital are basic skills which are known as skills required to perform the job, advanced skills such as using technology to communicate information to other employees, an interpretation of the customer or manufacturing system, and self-motivated innovation. To create working conditions that inspire continuous learning, high influence training practices are also needed (Noe, 2010).

According to Singh & Mohanty, 2012, companies can provide wide-ranging training and development to expand and enhance the quality of current employees. Research shows that companies can reach advantageous and valuable level if they put investments in training employees in problem-solving, decision-making, teamwork, and interpersonal relations. Training programs are called effective if they are organized and continuous. It will achieve greater success if training programs are consistent with employee and organizational objective and needs and suitable with the business strategy. If possible, employees are trained based on the results of appraisal of their work.

To understand the whole work system, including the liaison among their jobs, their work units, and the company, employees have to learn continuously. They also have to obtain new skills and knowledge, put them into the job operation, and communicate this information with other employees. Meanwhile, managers play essential role in determining training required and assist to make sure that employees apply training in their work. Managers may also use informational

plans that indicates where knowledge stays within the company to enable the distribution of knowledge, such as list of guides about what individuals do and particular knowledge they acquire, and use technology such as groupware or the Internet that helps employees in different business units to work at the same time, solve problems, and share information (Noe, 2010).

Many methods of training employees in organization are available. The variety of training methods used has been enlarged by the function of technology in its “hard” (for example through computing technology) and “soft” (for example through instructional design) approaches. The purpose of employees training is to enhance expertise of trainees in specific areas. In choosing the training method(s) to use, the current level of trainees understanding is important to be considered. When it is agreed to train employees and have pinpointed the training needs and objectives, the next step is to determine the training program. There are two categories in training, either on the job or off the job. In distributing training for either method, the source can come from either in-house or external sources, or a combination of both (Ongori & Nzonzo, 2011).

In the training arena, majority people will be responsible for only a part of their organization’s training function. However as the responsibilities of a trainer develop over time, understanding about what trainers have to do is essential. The overview is stated as follow:

- Establish training needs and decide how to acquire them. All training programs rely on a need, real or perceived. To identify which needs can be met by training and choose effective type or types of training to achieve particular needs for organizations, trainers manage needs assessments.
- Choose programs to meet particular training needs. The basic of a training program can be established by trainers using the learning

objectives. They then plan, adapt, and develop training programs and materials that will assist people to reach those goals.

- **Distributing live training.** Trainers have to plan, provide, and support live workshops and virtual training programs personally.

- **Manage and encourage self - directed and on - the - job training.** Majority trainings is being provided on the job and in-self-directed method. Trainers have responsibilities to assist learners to begin, give direction and support of their work and Trainers' help learners get started, provide guidance and trace their improvement.

- **Assess training success.** Evaluation can be done as role of a trainer by understanding whether a training program attained as it intended to reach and determine changes that require improvement.

- **Create the business situation for training.** Organizations have to evaluate their activities regularly to identify their investments real value as well as training to reach their objectives. Therefore, trainers help to explain the value of training to the organization's base to ease the understanding whether its investment, including the time that people spend in training, is worthwhile for that organization (Sans, 2010).

On-the-job training is the process of a person learns to do the job by performing it. This type of training allows the learner to acquire knowledge and skills in the actual work environment using the real machinery and materials during training. Moreover, on-the-job training is seen as a helpful technique as the learners do the actual tasks in the real-time, so they are understand and can apply their training when they return to their work. However in the scope of creating link or

connection of the teaching which usually be useful for on-the-job training, the role of off-the-job training is needed (Ongori & Nzonzo, 2011).

Off-the-job training is delivered in a particular setting which is different from the actual work environment, such as in a classroom. Organization cafeteria or meeting room are some examples of training area which is formed in classroom, but not the real work place.

Comparing to on-the-job training, there are also some advantages in conducting off-the-job training. Setting up a classroom approach allows the use of a training technique, such as video/DVD lecture, discussion, and role playing simulation. In regards to its design, such a method also reduces the chance of distractions and creates encouraging atmosphere for learners. Furthermore, the classroom setting can enhance the development of curious learners, ease in controlling the learning process, develop effective oral and written communication skills, inspire learners to gain the skills required to perform sin work environment (Ongori & Nzonzo, 2011).

2.2.1 Individual Ability

Individual ability includes the physical or mental power to perform the work and implement specific duties and responsibilities (Sarboland & Mousavi, 2012).

2.2.1.1 Physical

Physical ability is the capability to do a physical task and with the same mental ability (Summerton & Webster, 2009).

2.2.1.2 Mental

A set of behaviors, variety in information process, learning type, understanding, and problem solving (Mount & Lambert, 2009).

2.2.2 Organizational Capability

The ability of a company to handle its assets, such as employees, to obtain an advantage over competitors is called organizational capability. To satisfy customer demand, the company's organizational capabilities must focus on the business's ability. Besides, the uniqueness of organizational capabilities can avoid duplication by competitors.

Organizational capabilities mean that a company perform activities well to develop business and distinguish the business in the market. Even small business owners can take part in a competitive environment by emphasizing their best area through establishing and improving organizational capabilities (Kelchner, 2014).

2.2.2.1 Work Effort

Work effort is the degree of time and energy that are assigned by employees to perform their duties based on motivation level which becomes crucial result of work motivation (Morris, 2009).

2.2.2.2 Skill

In the global high-technology era, skill emphasizes on logical research and is seen as the basic object for policy interference. There is evidence that economic effects for individuals, employers, regions and whole national economies are affected by different levels of skill. The concept of skill is defined differently among social scientists. Economists, sociologists, and psychologists also come up with many things in discussing skill. Skill also becomes a matter when it is interpreted in different languages.

There is no clear similarities and differences between disciplines and culture as conversation and discussion between disciplines and cultures is rare. Depending on whom they are listening to, there are

conceptual and semantic variations to persevere; and outsiders to academic discourse understand different styles. Unfortunately the range for misperception does not end at the library door.

“Ability”, “competence”, “knack”, “aptitude” and “talent”, and varied imprecise translations in other languages are various synonyms of skill as one of those social science words in common phrasing with many meanings (Green, 2011).

2.2.3 Knowledge Updating

Knowledge updating can help people overcome their problems and issues by improving information, data, images, and other attitudes (Sarboland & Mousavi, 2012).

2.2.3.1 Information

Information involves the process of shaping data into an important and useful form that assists people in the process of selecting alternatives (Morisio & Torchiano, 2012).

2.2.3.2 Data

Data refers to raw facts about occasion happening in organizations (e.g. business transactions) or the bodily environment which have not been managed into a form that people can understand and use. (Morisio & Torchiano, 2012).

2.3 Employees' Productivity

Employee Productivity refers to the record of net sales over total employees - an economic amount of output per component of input. Employee productivity sizes may be assessed cooperatively (across the whole economy) or viewed industry by industry.

According to Singh & Mohanty, 2012, the skilled, knowledgeable and well experienced workforce of an organization determines the organization's future success and wealth. In order to achieve effective firm's goals and objectives, training is needed as a basic and powerful instrument. By conducting training, the organization will improve efficiently and creatively, and has an opportunity to understand their job practically and perform it capably which later can increase the firm's productivity.

In the dictionary, 'productivity' is defined as the condition of making rewards or results. 'Productive' means effective, well-paid, and beneficial. In this perspective, productivity is similar with output. In scientific literature, 'productivity' is described as the link between output and input; between results or profits and expenses. If the ratio between output and a certain part of the input are involved, it is referred to as 'partial productivity'. Some examples include the total of production for each labor unit represents labor productivity, or the number of labor hours for each product unit (Singh & Mohanty, 2012).

The growth of organizational productivity depends on training which has been known as a valuable factor. Training contributes in successful achievement of the firm's goals and objectives, bringing higher productivity, which is seen as primary and useful tool by most of researches (Singh & Mohanty, 2012).

Productivity attracts the interest among both managers and researchers as a developing subject and has a high significance in many sectors. It can be seen through wide-ranging writings about productivity and difficulties related to its evaluation. Being viewed as a significant success factor of organizations, productivity is commonly defined as a measure of the amount of output made per unit of input. However, the relationship between input and output as covered in the definition of productivity does not encompass problems that many people have in mind when they talk about public sector productivity.

The concept of productivity has been developed for many years, but it is often shortened and misunderstood. One of main challenges in the healthcare sector

is productivity which its development is needed. To know whether the productivity increases or decreases, a comparison must be made, either of differences from a “standard” at a certain point in time or of changes over time as productivity is a relative concept. This measurement may have an impact of an individual practice in isolation although the relationship between management policies and productivity is examined in most studies (Nasiripour, Kazemi, & Izadi, 2012).

Productivity refers to “the ratio of output of required quality to the inputs for particular production circumstances; it is also known as “work output per man-hours worked” in the construction industry. For example, using cubic meters per man hour to measure excavation and using square meters per man hour to measure plastering. As the productivity improves, contractors will be more efficient and profitable. It is because the level of actual productivity eases them to estimate accurately and be more competitive during bidding for projects (Ailabouni, Painting, & Ashton, 2009).

2.3.1 Performance Feedback

Performance feedback means employees are given response or comment consistently about how their performance is. It includes both positive feedback on what the employee is doing well and feedback on further improvement (Chandrasekar, 2011).

2.3.1.1 Information Exchange

Information exchange may include the process of resolving problem between the employee and supervisor. It involves the feedback and requirements given by the supervisor, followed by the employee in giving their feedback based on their requirements.

Building closer relations from two parties can create an informal exchange process, instead of the formal one. It is known that every

employee has responsibilities in the organization which are explained in Job Descriptions forms in a formal way (Leblebici, 2012).

2.3.1.2 Role Congruity

Role congruity involves the consistency of employees' performance in regards to becoming members of organization and any following training based on requirement. In this case, the employee's supervisor allocates tasks which are coherent with organization's role expectations (Chandrasekar, 2011).

2.3.1.3 Workplace Incentives

The organization appreciates employees' behavior based on requirement by understanding what motivates its employees and establish formal and informal rewarding structures (Chandrasekar, 2011).

2.3.2 Supervisor Support

In implementing the job, employees need the support from supervisor. Supervisors can enhance clear relations and rise self-confidence of the employee through their interpersonal role (Leblebici, 2012).

2.3.2.1 Mentoring / Coaching

Employees are assisted to perform their role well and are helped to improve further. It involves skilled and reliable people. (Chandrasekar, 2011).

2.3.2.2 Opportunity to Apply

The opportunity for employees to apply formed skills and perform newly learned skills relies on individual capabilities and organizational systems and processes (Chandrasekar, 2011).

2.3.2.3 Job Aids

Providing job aids can ease the work and reduce error rates and customer displeasure. Some examples of job aids include templates, guides, models and checklists (Chandrasekar, 2011).



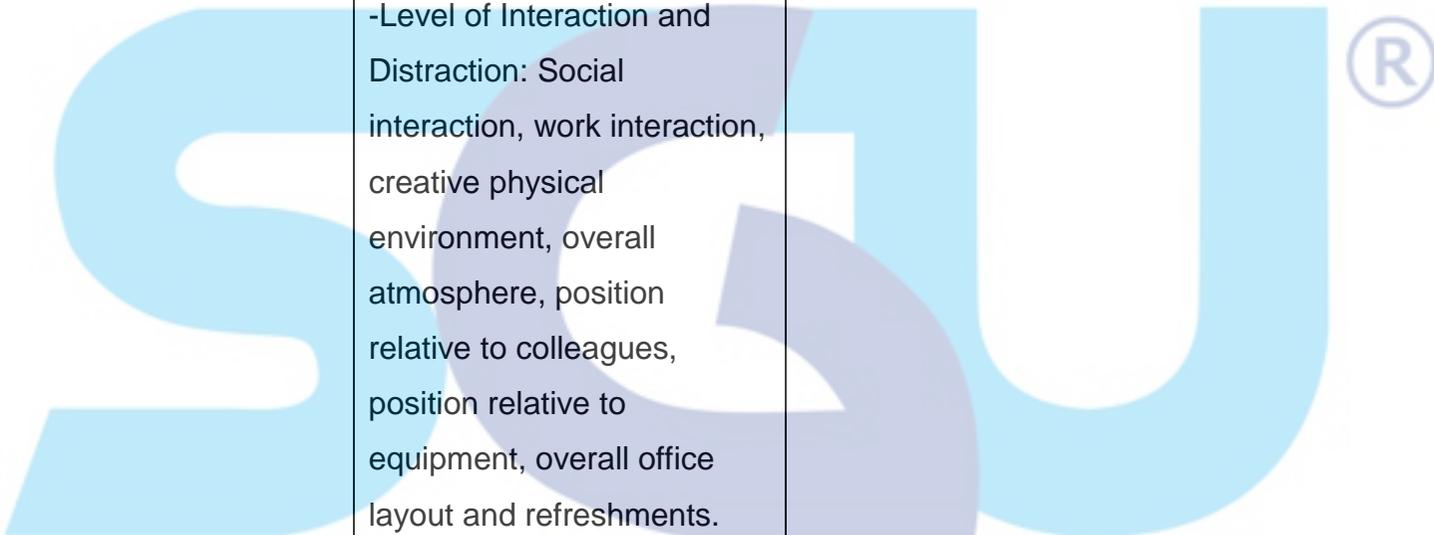
2.4 Previous Studies

Table 2.1 Previous Studies

No	Author/Year/Title	Variable/Indicator	Result
1	Kheyrollah Sarboland, Nasser Mousavi/2012/Effect of In-Service Training on Improving Staff Performance (A Case Study: The Social Security Offices of Ardebil Province)	Training needs Individual Ability Organizational Capability Knowledge Updating In-service Training Performance	The results show that there is a meaningful relationship between in-service training and staff performance.
2	Rohan Singh, Madhumita Mohanty/2012/Impact of Training Practices on Employee Productivity: A Comparative Study	Training Practices Employee Productivity	Our comparison and analysis suggest that there definitely exist a relation between these two but the impact and effect of training practices on employee productivity varies for different industry.
3	Afshan Sultana, Sobia Irum, Kamran Ahmed, Nasir Mehmood/2012/	1. Independent: Training 2. Intervening Variables: Salary and Job Involvement	The study concludes that if organizations invest in right type of employee training it can enhance employee performance as well as competencies and skills. In addition, training is seen as a useful

	<p>Impact of Training on Employee Performance: A Study of Telecommunication Sector in Pakistan</p>	<p>3. Dependent: Employee Performance</p>	<p>means of coping with changes fostered by technological innovation; market competition, organizational structuring and most importantly it plays a key role to enhance employee performance.</p>
<p>4</p>	<p>Dr. B.K. Punia, Saurabh Kant/2013/ A Review of Factors Affecting Training Effectiveness Vis-À-Vis Managerial Implications And Future Research Directions</p>	<p>(a) trainees' reactions to the programme content and training process (reaction) (b) knowledge or skill acquisition (learning) (c) behavior change (behavior) (d) Improvements in tangible individual or organizational outcomes such as turn- over, accidents, or productivity (results).</p>	<p>The findings of this study suggest many factors which affects training effectiveness like motivation, attitude, emotional intelligence, support from management and peers, training style and environment, open-mindedness of trainer, job related factors, self-efficacy and basic ability etc. The paper also reveals models of training effectiveness measurement as well as the implication of a training program.</p>

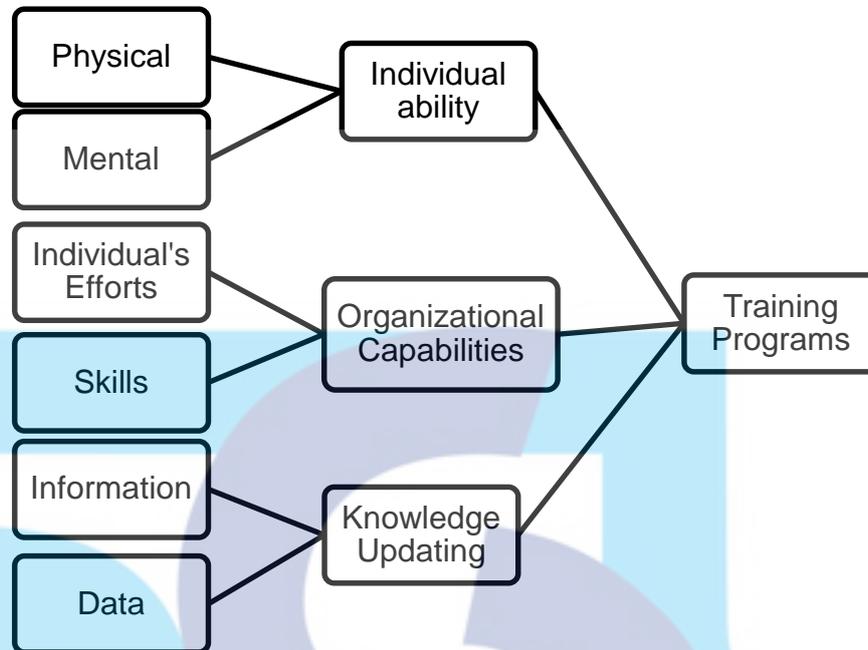
<p>5</p>	<p>Demet Leblebici/2012/Impact Of Workplace Quality On Employee's Productivity: Case Study Of A Bank In Turkey</p>	<p>Dependent Variable: -Productivity of the Employees</p> <p>Independent Variables: -Physical Components of Environment -Comfort Level: Ventilation, heating, natural lighting, artificial lighting, decor, cleanliness, overall comfort, physical security. -Office Layout: Informal meeting areas, formal meeting areas, quiet areas, privacy, personal storage, general storage, work area – desk and circulation space</p>	<p>Survey results show that while the employees are unhappy with the physical conditions of the workplace, they have remarkable satisfaction with the workplace by having strong behavioral workplace conditions.</p> <p>According to the survey results it is proven that workplace environment affects employee performance but behavioral workplace environment has greater effect on employees' performance.</p>
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		<p>-Behavioral Components of Environment</p> <p>-Level of Interaction and Distraction: Social interaction, work interaction, creative physical environment, overall atmosphere, position relative to colleagues, position relative to equipment, overall office layout and refreshments.</p>	
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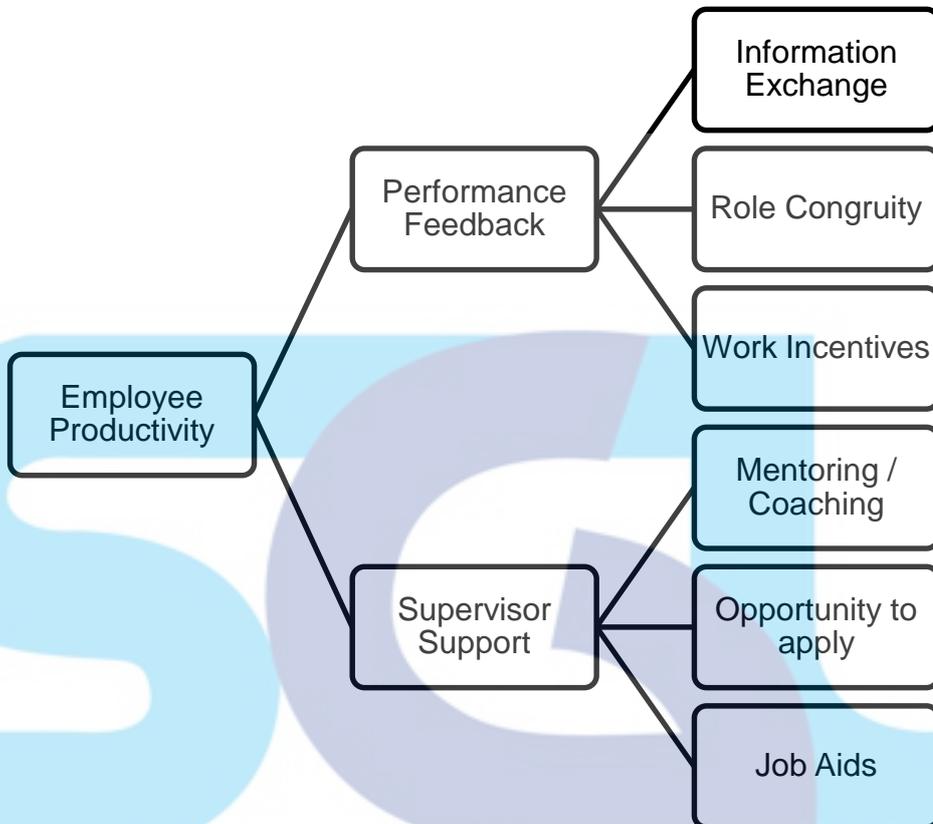
2.5 Research Dimension

Figures 2.2 Training Programs



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Figures 2.3 Employee Productivity



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