

THE EFFECT OF TRAINING AND DEVELOPMENT ON EXECUTIVES' PERFORMANCE IN MANUFACTURING FIRMS: A CASE STUDY AT KULIM-HI TECH PARK KULIM, KEDAH, MALAYSIA

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ABSTRACT

Training and development are one of the human resource management practices that are very important in addressing issues related to job performance. Therefore, the purpose of this study is to assess the extent of the role of training and development and its contribution to the performance of executive work in manufacturing firms. Methodology in this study was built where a questionnaire was designed for data collection to measure training and development related orientation training, on-job training, off-job training, and ongoing training on executives' performance. Data were collected among executives in manufacturing firms at Kulim Hi-tech Park, Kulim, Kedah, Malaysia which had a 4438 population, 351 samples, and 244 respondents successfully collected from 25 manufacturing firms. A stratified sampling method was used to collect data and the data obtained were analyzed using SmartPLS version 3.7.8. The finding of this study found that there is a significant relationship between off-job training and ongoing training on executives' performance. While on-job training and orientation training are not-significant. It is proved from SmartPLS analysis shown that 2 independent variables have a positive impact on executives' performance in manufacturing firms and 2 variables do not support executives' performance. The limitation of the research only covers the manufacturing firms. Another limitation is the respondents only included executives. Apart from these limitations, this research can give a strong impact on the top management of manufacturing firms to design the strategy of training and development to be more effective in improving the work performance of executives.

Keywords: Training and Development, Orientation Training, On-Job Training, Off-Job Training and On-Going Training, Executives' Performance

INTRODUCTION

Training and Development is one of the HRM practices that play a role in enhancing knowledge and skills among employees of an organization. Training and Development is a subsystem of an organization that emphasizes improving the performance of employees and groups in the workplace (Abogsesa & Kaushik,2018; Esha,2019; Ismail & Kadir,2018). Training and development also refer to the process in education aimed at improving skills, with emphasis on the concept of spending, positive attitude change, and an effort to gain more knowledge to improve work performance (Karim, Choudhury, Latif, & Choudhury,2019; Kumar & Siddika,2017). Regularly structured training and construction can help to improve performance and efficiency as well as assist in developing the skills and knowledge of each employee and ultimately assist the organization in the long-term development and growth (Mahadevan &

Yap,2019; Okechukwu, 2017; Ole-Kinisa,2019). Therefore, training and development include orientation training, on-job training, off-job training, and ongoing training as a dimension in measuring the work performance of employees in the manufacturing firms' sector conducted in this study.

RESEARCH OBJECTIVES AND RESEARCH QUESTIONS

2.1 Research Objectives:

1. To identify the relationship between orientation training on executives' performance in manufacturing firms.
2. To examine the relationship between on-job training on executives' performance in manufacturing firms.
3. To evaluate the relationship between off-job training on executives' performance in manufacturing firms.
4. To find out the relationship between on-going training on executives' performance in manufacturing firms.

2.1 Research Questions

1. Is there any significant relationship between orientation training on executives' performance in manufacturing firms?
2. Is there any significant relationship between on-job training on executives' performance in manufacturing firms.?
3. Is there any significant relationship between off-job training on executives' performance in manufacturing firms?
4. Is there any significant relationship between on-going training on executives' performance in manufacturing firms?

LITERATURE REVIEW

3.1 Orientation Training

Fawwaz, Qudah, Yang, and Anjum (2018) in a study on the effectiveness of orientation training found that new employees have a clear picture of the organization's requirements for their work performance in the workplace. New employees feel that their presence in the organization is very important to the overall performance of the organization. Orientation training emphasized the necessary skills for each individual and high expectations for the achievement of each new employee as a result of effective orientation training. This situation directly reduces their feelings of being isolated, reducing anxious situations and feelings of anxiety to perform a task as expected by the organization. At the same time, orientation training can feel they are already part of the organization, able to adapt to new workplaces, reduce dependence on other employees, the tendency to quit can be overcome and the familiarization process can be accelerated. This situation directly increased the motivation of employees to work more efficiently to achieve the organizational goals they are involved (Amoah-mensah, & Darkwa, 2016; Kumar & Siddika, 2017). This study showed a significant relationship between orientation training with the enthusiasm of new employees to work.

The importance of orientation in business is often underestimated. Process orientation and onboarding are very important for new employees to understand the process and job role of the company. The orientation serves legal purposes through the Human Resources Department and also creates a more skilled and efficient workforce. Orientation sets the stage for organization policies and human resource processes in business. All employees should receive an employee handbook and all organization processes and policies documented. This is important to establish a clear understanding of regulations regarding safety in the workplace, sexual harassment, and key organization policies. This orientation process is important for employees but also reduces legal responsibility for the organization by setting standards that create equal workplace opportunities. For example, new employee orientation best practices in manufacturing firms would cover major human resource problems such as sexual harassment and workplace behavior. It will also cover some elements of orientation specific to the manufacturing sectors such as schedules, salaries, overtime pay, physical orientation in large buildings, and communication processes between employees, department managers, and human resources.

3.2 On-Job Training

Yetunde (2018) in his study, the effect of training and development on job performance and productivity stated the main purpose of his study was to find out the extent of the relationship between training and development involving on-job training on job performance and productivity. The results of the study found that there is a significant relationship between training and development involving on-job training on job performance and productivity. This study found that on-job training is an important aspect of an organization to produce skilled and capable employees. Employees in the organization can perform all the tasks entrusted to them more efficiently when they have sufficient knowledge of a task. In addition, the emphasis on on-job training allows every employee to have the opportunity to obtain better career development and promotion as a result of the work productivity generated by them.

On-job training has a strategic position and it directly contributes to the business goals and objectives of the organization. In an ever-changing and fast-paced corporate world, on-job training is an indispensable function. On-job training is one of the top things on most organizations' priority lists. To meet the current and future challenges of the business, on-job training is considered a learning activity, ranging from training employees to their tasks. In addition, knowledge sharing improves business performance and customer service. When it is organized, it is often the persistence of the human resources department. On-job training allows employees to acquire new skills, hone existing skills, do better, increase productivity and become better leaders. However, for many businesses, the cost of training and development is quite expensive. Another reason why many organizations increase training opportunities for their employees is that attending training sessions can improve skills in the completion of a task because employee skills are essential for organizational growth.

3.3 Off-Job Training

Syafiq and Hamza (2017) in their study, the effect of training and development on job performance, a case study in the private sector in Malaysia found that there is a significant

relationship between training and development and the job performance of each employee. This study focuses on the independent variable of off-job training concerning job performance. The independent variable has a positive relationship to job performance. The results of this study can benefit each employee to get a better position and rank in the organization as well as better work improvement that can contribute to the development of the organization. Khan, Abbasi, Waseem, Ayaz, and Ijaz (2016) in their study measured the effectiveness of training and development by placing off-job training intermediaries on job performance. The results of this study found that every employee has effective performance when they achieve a high level of motivation when the tasks performed give satisfaction to them. Good job performance is the result of the skills possessed by each staff member. Effective human resource practices are essential in designing each of the exercises given by the tasks they perform. Training that is not related to staff duties is a wasteful and time-consuming investment. Employees who receive adequate off-job training can produce the skills and competencies needed by the organization. The results of this study also found the importance of effective off-job training so that each training obtains the necessary results for staff skills and satisfactory growth of the organization by the position of its knowledgeable staff in carrying out a task.

Off-job training is a training that is held separately from the main job. Employees are adapted to training outside the workplace before being admitted to the actual workplace. Off-job training focuses on long-term development and learning to produce a superior workforce that has all the skills needed by their organization. During the training, each employee will be supervised by a trainer who has extensive experience in training relevant to their job. The advantages of off-the-job training include training outside the job can bring new ideas into the business. As a result, the organization becomes increasingly solid with the innovative and creative processes of each employee. With this method, newly appointed workers can be trained outside the workplace and a trained workforce can be produced in carrying out their jobs. This situation can reduce the occurrence of errors in the actual workplace when employees begin to perform their daily tasks. Off-job training allows each employee to perform all their tasks smoothly and organized when they are exposed to off-job training that is very effective on their work performance.

3.4 On-Going Training

Hartoyo (2017) in his study, on ongoing training in organizations, emphasized the importance of comprehensive and structured training planning so that the performance of employees and organizations grows better. This study states that there are many factors that cause ongoing training in organizations to need to be done in a planned manner due to the development of increasingly sophisticated technology that requires organizations to provide training equivalent to current technology, more unique training methods by using modern learning techniques in practice in the workplace. by reducing learning in theory and training systems that prioritize current needs in providing training to each staff. On-going training is necessary for the implementation of a comprehensive and continuous training policy by analyzing each training by the responsibilities of an employee and the suitability of continuous training with new and more effective systems such as simulation systems, online training and learning, and the use of usual audio techniques. On-going training needs to be carefully planned to avoid a

decline in work and organizational performance (Hafeez, 2015; Bansal & Tripathi, 2017). Job performance begins with knowledge related to an employee's job, the skills required and the attitude of the staff constantly to improve their performance which includes motivation, knowledge, skills, attitudes, and a safe and secure workplace environment. The absence of these factors affects negative behaviors on staff achievement and an unstable workplace environment leads to declining and unproductive work performance (Christian, Yusof, & Habil, 2019; Choudhury & Latif, 2019).

3.5 Executives' Performance

The performance of an organization is the result of the excellent work performance shown by executive-level employees. Executives are middle-level management staff who are responsible for planning and executing a task assigned by top management. While the achievement of an organization is valued based on the performance of the organization's executive employees (Singh & Kassa, 2018). Executives can be defined as employees who are responsible for planning, organizing, executing, and monitoring all their daily job responsibilities by focusing all activities on achieving organizational goals (Amin, Halim & Majid, 2017; Mutua & Kinyili, 2017). Executives' performance refers to the skills, abilities, and competencies that an executive possesses in an organization. Previous literature reviews are showing that there is a positive relationship between executives' performance on work quality and productivity, skills and competencies, creativity and innovation, problem-solving and decision making, job knowledge, attitudes and discipline, communication, teamwork, management skills, and professionalism with the job performance of each employee in an organization. Ahmad in his study stated that an executive in an organization has a big role to perform especially in a job designed to achieve maximum profitability for a long time. In addition, executives also have a role to ensure the existence of their organization is very important in the market. global and the ability to move the organization forward compared to other competitors. An executive is said to be an efficient and skilled person when they can perform a task with excellence. As a result of success in the implementation of a task, the organization will also move forward to achieve the success that has been set based on the vision and mission that has been designed about what needs to be achieved in a certain period.

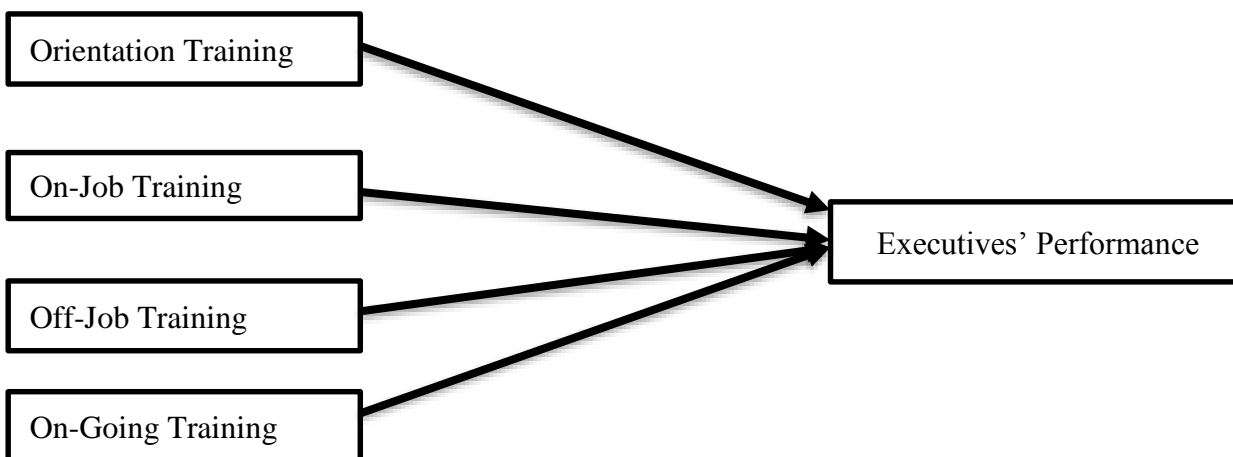
CONCEPTUAL FRAMEWORK

4.1 Independent Variables

- Orientation Training
- On-Job Training
- Off-Job Training
- On-Going Training

4.2 Dependent Variable

- Executives' Performance In Manufacturing Firms



This research was conducted to identify the relationship between orientation training, on-job training, off-job training and on-going training on executives' performance. A questionnaire was designed to collect the data from in manufacturing firms at Kulim Hi-tech, Kulim Kedah, Malaysia.

4.3 Hypothesis Development

H1: There is significant relationship between orientation training on executives' performance in manufacturing firms.

H2: There is significant relationship between on-job training on executives' performance in manufacturing firms.

H3: There is significant relationship between off-job training on executives' performance in manufacturing firms.

H4: There is significant relationship between on-going training on executives' performance in manufacturing firms.

RESULT

5.1 Participants

Data were collected among executives in manufacturing firms at Kulim Hi-tech Park, Kulim, Kedah, Malaysia which had a 4438 population, 351 samples, and 244 respondents successfully collected from 25 manufacturing firms.

5.2 Measurement Scale

Questionnaires are designed in Linkert Scale (Strongly Disagree, Disagree, Neutral, Agree, Strongly Agree)

5.3 Data Analysis

The data obtained were studied using SmartPLS version 3.7.8 to discuss the findings obtained. SmartPLS is highly recommended by statistical scholars in producing an accurate analysis of

the cause and effect relationship of each variable. SmartPLS is also referred to as a large multivariate analysis technique in social and psychological research. SmartPLS is capable of analyzing measurement model evaluation and structural model evaluation.

Table 1 shows the Loading, Composite Reliability (CR), Average Variance Extracted (AVE) values for each construct studied and the lowest value is 0.5293 and the highest value is 0.9377. These values are greater than 0.5 (> 0.5), confirming that the study construct can explain the mean change of variance within the items (Fornell & Larcker, 1981; Gefen & Straub, 2005; Henseler, Ringle & Sinkovics, 2009).

Table 1 Loading, CR & AVE Results

	Loading	CR	AVE
Orientation Training		0.9140	0.5717
OT1	0.7443		
OT2	0.7520		
OT3	0.8409		
OT4	0.8000		
OT5	0.7683		
OT6	0.7211		
OT7	0.7475		
OT8	0.6618		
On-Job Training		0.8855	0.5272
OJT1	0.6243		
OJT3	0.7643		
OJT4	0.7387		
OJT5	0.7723		
OJT6	0.7572		
OJT7	0.7967		
OJT8	0.6053		

	Loading	CR	AVE
Off-Job Training		0.8791	0.5136
OFT1	0.5293		
OFT2	0.7022		
OFT3	0.6297		
OFT5	0.7971		
OFT6	0.7858		
OFT7	0.7582		
OFT8	0.7733		
On-Going Training		0.9105	0.5604
OGT1	0.7477		
OGT2	0.7332		
OGT3	0.6792		
OGT4	0.7579		
OGT5	0.7498		
OGT6	0.7744		
OGT7	0.7256		
OGT8	0.7769		
Executives' Performance		0.9377	0.5576
EP1	0.7261		
EP2	0.7436		
EP3	0.7332		
EP4	0.7321		
EP5	0.7688		
EP6	0.7857		
EP7	0.6465		
EP8	0.6606		
EP9	0.7502		
EP10	0.7592		
EP11	0.8143		
EP12	0.8167		

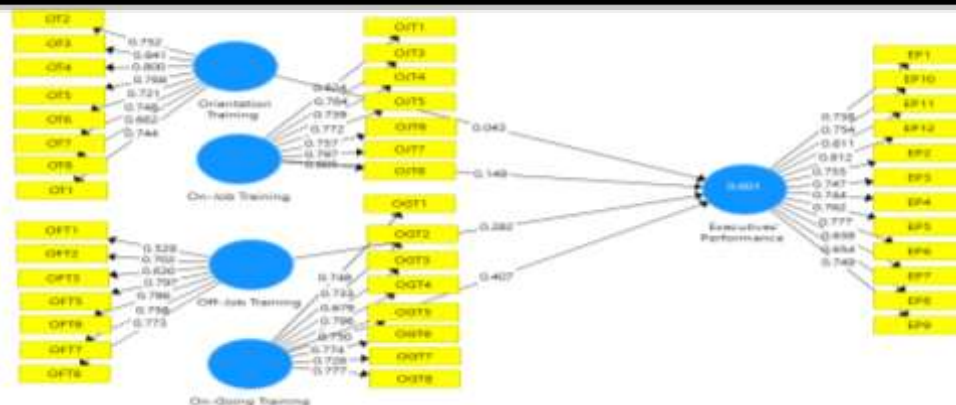


Figure 1: Structural Model - Direct Effects

The discriminant validity test was measured through two methods, namely the Heterotrait-Monotrait (HTMT) criterion test and cross-loading (Henseler et al., 2009). Table 2 below shows the output from the HTMT analysis. The results can be calculated easily using the formula as in (Henseler, Ringle & Sarstedt, 2015).

Table 2 Discriminant Validity

Constructs	EP	OFFT	OGT	OJT	OT
EP	0.7467				
OFT	0.7029	0.7167			
OGT	0.7178	0.7235	0.7486		
OJT	0.0567	0.6656	0.5645	0.7261	
OT	0.5323	0.6440	0.5397	0.5945	0.0761

Note: Values in Bold face are the square root values of average variance extracted

5.4 Assessment of Structural Model

The findings for testing this direct effect model using SmartPLS software package version 3.7.8 that is through the structural equation model. This measurement aims to test the direct effect model and the effective model of the mediated variable. Therefore, empirical evidence has been used to construct a direct effect model as shown in Figure 3.

Table 3 Summary of Hypotheses

Relationship	Summary of Hypotheses				
	Beta	Std Error	T-Value	P-Value	Decision
OT -> EP	0.0426	0.0464	0.6038	0.5460	Not Supported
OJT -> EP	0.1489	0.0843	1.7665	0.0774	Not Supported
OFT -> EP	0.2823	0.0890	3.1699	0.0000	Supported
OGT -> EP	0.4066	0.0894	4.5472	0.0000	Supported

DISCUSSION

6.1 Orientation Training

The results obtained shown that the orientation training variable has a not-significant relationship on executives' performance in manufacturing firms ($\beta = 0.0426$; $t = 0.6038$; $p = 0.5460$). H1 Rejected. The results also show that orientation training only contributes 4.3% ($R^2 = 0.0043$) to changes in job performance in manufacturing firms.

Based on the test results above, it is found that orientation training has a negative relationship with the work performance of executives. Orientation training that does not comply with the training modules that are appropriate to the responsibilities of executives affects job performance. Because most executives already have experience in other firms, orientation training does not add to their knowledge making it irrelevant to the performance of the work they will be doing. Orientation training only acts to adapt them to the work culture of the new firm without affecting their work performance.

6.2 On-Job Training

The results obtained shown that the on-job training variable has a not-significant relationship on executives' performance in manufacturing firms ($\beta = 0.1489$; $t = 1.7665$; $p = 0.0774$). H2 Rejected. The results also showed that on-job training contributes 14.9% ($R^2 = 0.149$) to changes in job performance in manufacturing firms.

Based on the test of hypothesis 2 above, it is found that on-job training has a negative relationship with job performance. This is because firms act beyond the limits to train new executives so that they are burdened with too much training at the same time. This situation creates an overload that affects the workplace environment poorly. Executives who are exposed to the real work environment get stressed when on-job training is perceived as their real daily task that needs to be completed as quickly as possible. On-job training that is not appropriate without following the training modules that are fully compiled does not contribute to the work performance of executives.

6.3 Off-Job Training

The results obtained shown that the off-job training variable has a significant relationship on executives' performance in manufacturing firms ($\beta = 0.2823$; $t = 3.1699$; $p = 0.0000$). H3 Accepted. The results also showed that off-job training contributes 28.2% ($R^2 = 0.282$) to changes in job performance in manufacturing firms.

Based on the test of hypothesis 3 above, it is found that there is a positive relationship between off-job training on executives' job performance. Each executive is not exposed to the real work environment and this allowed them to generate new ideas that can be shared with other participants from different firms. In addition, the focus of executives is better if external parties provide training related to their duties, executives have the opportunity to get trainers trained from outside according to their expertise, firms can form smart alliances with external agencies and executives feel less stressed by the environment their actual workplace.

6.4 On-Going Training

The results obtained shown that the on-going training variable has a significant relationship on executives' performance in manufacturing firms ($\beta = 0.4066$; $t = 4.5472$; $p = 0.0000$). H4 Accepted. The results also showed that ongoing training contributed 40.7% ($R^2 = 0.407$) to changes in job performance in manufacturing firms.

Based on the test of hypothesis 4 above, it is found that there is a positive relationship between on-going-job training on executive job performance in manufacturing firms. On-going training allowed each executive to maintain the skills they possess to perform their daily tasks better. This is because ongoing training can prevent executives from making mistakes as a result of forgetfulness. On-going training always ensured that each executive maintains existing skills and can improve new skills in line with increasingly sophisticated and changing technological changes. The maintenance of ongoing training can stabilize the knowledge of each executive to increase the maximum level of knowledge and produce adequate work performance in line with the goals of the firm.

CONCLUSION

Based on the variables test above, it is found that each variable is very important in ensuring improvement in the work performance of executives. Emphasis on module orientation training and on-job training should be given attention because both of these variables play a very important role in contributing to job performance. Evaluation needs to be made on orientation training and on-job training so that this training becomes significant to every executive, especially for those who are new to the job arena. Furthermore, orientation training and on-job training can expose each executive to the actual work situation. Failure to provide orientation training and on-job training has a negative impact on job performance. While off-job training and ongoing training are necessary to adapt training modules because technological changes are very fast that require every executive to master job performance with excellence through the improvement of knowledge and skills from off-job training and on-going provided by firms to them. All of the above variables involving orientation training, on-job training, off-job training, and ongoing training have a significant relationship to job performance. Failure to design appropriate training forms and training modules that do not meet the requirements of a particular task and responsibilities of executives has a negative impact on their job performance.

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