‘Impact of Training Methods on Employee Performance in a Direct Selling Organization, Malaysia.’

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Abstract:
Building a skillful and knowledgeable workforce is one of the most vital activities in an organization to ensure high level of competency with proficient team in order to sustain and grow in a dynamic business environment. In this study, the researcher focused on the impact of training methods on employee performance. The objective is to examine the impact of on-the-job and off-the-job training on employee performance. The researcher adopted positivism research philosophy and collected quantitative primary data through survey questionnaire. The questionnaire was designed based upon various types of on-the-job and off-the-job training methods. Census method is adopted to collect data as the researcher distributed the questionnaire to all 162 employees in the target population providing an equal chance for all to participate in the study. 136 responses were returned however only 124 are accepted as the remaining was found to be incomplete. The collected data were analyzed using SPSS software in order to get the regression values. The result shows both on-the-job and off-the-job training achieve a standardized coefficients beta value of 0.370 and 0.546 respectively with significant value of 0.000 which concludes the outcome of the research that on-the-job and off-the-job training have a positive significant impact on employee performance.

Keywords: Training Methods, On-The-Job, Off-The-Job, Employee Performance

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I. Introduction
As we strive to survive in a highly competitive business environment and simultaneously trying to please our fellow stakeholders, training and development have become an essence of organizational success. Employee who participated in training proved to be more competent compared to those who did not. According to Zahiruddin et al (2012), a well-trained employee performed their task proficiently and deliberately. Organizations always look forward to improve their performances, and this is hardly achievable if the workforce is not skilled-up. According to Tan & Khatijah (2017) this is why training becomes necessary regardless of new employee who just joined the organization or a seasoned employee, as training allows employee to stay ahead of modern technology and industry updates enable them to manage any situation that may arise diligently (Elnaga & Imran, 2013). Besides, training is also able to increase employee morale (Nischithaa & Rao, 2014). As a result of training, employee becomes more confident and motivated hence able to produce higher productivity, more committed and less stressful while maintaining quality performance (Mohan & Gomathi, 2015; Khyzer et al, 2012). One of the key success factors of any organization falls on its employees. Employees as part of the asset of the company, manager and business leader must wisely invest these ‘asset’ in order to generate better returns. Therefore, training and development are seen as a powerful tool worth of investment to increase employee performance and lead to better organizational performance and success (Khan et al, 2011).

There are about 100 over direct selling companies in Malaysia (DSAM, 2018). Some or most of the companies are offering comparable product categories which carry similar function which results in intense competition in the industry. According to The Star (2013), Malaysia direct selling sales turnover was ranked 10th globally within the industry and are expected to achieve RM20 billion in revenue by 2020. Direct selling is seen as a convenient way of delivering goods and services to customer and considered as an alternative source of income. While it may seems to be easy to market a product or service to your friends or relatives, the reality is that these direct selling distributors needed to put in a lots of effort. Firstly, they will need to understand the product feature and then, to master the selling approach and technique. All of these would be quite impossible without proper training and guideline especially in today’s business environment.

This research is targeted to benefit the overall direct selling industry, the organization of the researcher in particular, and as well as contribution to the academic perspective in general. Due to no prior study had taken place in ElkenSdnBhd, this research becomes necessary to observe employee training preferences and help in
identifying the most effective training method that could lead to increase of employee performance. With the result of this research, the researcher would be able to contribute in reviewing training policy which potentially optimized time and cost of training in the future. Besides, the results and findings may also be relevant and applicable to other organizations within the same industry or other industries no doubt that this research is limited within the researcher organization. This is due to individual preferences of training rarely differs regardless of industry. Finally, this study will also add value to fellow researchers in areas of training and development and may be used as a reference for further studies.

II. Literature Review:

Training is an on-going and continuous process which aimed to achieve better employee performance through improving employee attitude and the way employee behaved at work (Mozael, 2015). It is also an action of upgrading employee skills for a specific task (Nischithaa& Rao, 2014). According to Uma (2013), steps taken to improve knowledge, skills and capability of an employee is known as training. It is essential for training to take place in any organization to ensure employee’s skills is always up to par with the market standard especially in today’s era of fast changing environment and technology, and to constantly uphold the quality of work (Imran et al, 2014; Zahra et al, 2014; Otuko et al, 2013). With training, employee would be able to adapt to the ever-changing situation and manages daily work operation while maintaining or even improving their job performance, as training prepared employee to be ready for any huddles and also reduces employee resistance to change (Khan et al, 2016; Shafini et al, 2016). According to Aragón et al (2003), training not only promotes new knowledge, skills and ability but also cultivate a learning behavior and preparing employee for any uncertainty that might occur. According to Holton (1996), not only the need of training is important yet the essence of training such as type, content, method and resources are equally significant because only when employee are able to implement the learning to practical daily operations the organization then would be able to rise to the peak. Hence, training become inevitable and indispensable in order to have a capable and well prepared workforce attaining high quality of work and maintain at an optimal level of performance toward achieving organization objectives and goals (Falola et al, 2014).

On-The-Job training:

According to Baum & Devine (2007), on-the-job training is a useful method of transferring knowledge from one another. Employee is able to practice as they learn through this method. According to Blanchard & Thacker (1998), on-the-job training is very useful when it comes to task-oriented activity such as handling machinery. Such training is necessary to ensure each step or procedure is followed according to the sequence. The same point was highlighted by Alipour et al (2009) informing that hands-on training would allow employee to have clearer picture in carrying out the duty. Deming (1982) also posit that employee tend to understand better through on-the-job training as compared to reading book or manual. According to Salau et al (2014), on-the-job training could lead to organizational success and increases employee performance as they learn and perform the task at one go. This is because employee is able to relate directly of their day-to-day operations when undergoing on-the-job training (Tukunimulongo, 2016). Furthermore, according to Taylor & Davies (2004), when employee performing their task while learning, it actually save time and cost. However, it is not without any limitation as Torrington et al (2005) argues that conflict may arise should the trainer and trainee from one another. Employee is able to practice as they

Off-The-Job Training:

According to Shafini et al (2016), employee is able to pay more attention when they attend training outside of their working environment as the likelihood of being disturbed by work operations is far lesser compared to if the training was conducted in the working environment. According to Mtulo (2014), off-the-job training allows employee to participate in the training program without being disrupted by external factors as the training venue is usually being set in a manner which allows full concentration of the employee. Any tools or necessary equipments would have been readily made available to facilitate the training program. According to Ramya (2016), off-the-job training generally more structured with proper agenda which optimized the learning duration and provides systematic learning experience. Meanwhile, Wright &Geroy (2001) posit that off-the-job training is significant especially for specialized or technical skills. This is also seconded by Lynch (1992) who state that off-the-job training is usually conducted by an expert of its field. Methods such as lecture with simulation and role-play stimulate employee to learn in a practical manner within controlled environment (Smith, 2002; Hamilton, 1990). Nonetheless, one of the concerns raised by Riley (2018) is that off-the-job training could lead to more work upon completion of training as it requires time-off from actual work. This could indirectly decrease work quality because of merely wanting the job to be done in the shortest time.
H2: Off-the-job training has a positive significant impact on employee performance.

Based on previous studies done by various researchers, on-the-job training and off-the-job training were adopted as part of independent variables while employee performance or organizational performance as dependant variable (Shafiq & Hamza, 2017; Engetou, 2017; Shafini et al., 2016; Kum et al., 2014; Falola et al., 2014; Nassazi, 2013; Eric, 2012; Khan et al., 2011). Meanwhile, some researches adopted training purpose, training process and training outcome (Engetou, 2017), training benefits (Shafini et al., 2016), training commitment, training need assessment, training contents, and training evaluation (Vasudevan, 2014) as independent variables while the dependent variable remained with employee performance or organizational performance. It is justifiable that most of these studies aim to investigate the relationship between these variables and majority of the results shows that indeed training and development have significant positive impact on employee and organization performance as a whole. For this research, only two variables will be use after reviewing the researches as mentioned. The focus is to specifically look into which training method is best influencing employee performance.

III. Research Methodology:

Positivism, interpretivism and phenomenological are some of the key research philosophy broadly adopted by fellow researcher (Mack, 2010; Kim, 2003; Healy & Perry, 2000). For positivism paradigm, it is also known as scientific paradigm. Positivism is best suitable to either agree or disagree with a hypothesis (Mack, 2010). For this study, positivism research philosophy is adopted. Collection of quantitative data will be done through survey questionnaire and the data collected will then be tested against the hypothesis (Guba & Lincoln, 1994). Furthermore, according to Levin (1987), the results of this research are observable and quantifiable with no further examination needed. Hence, explains why positivism fit in this research.

Quantitative and qualitative are the two main research methods (Leedy & Ormrod, 2001). Quantitative research method emphasizes objective measurements and statistical analysis of data collected through survey or questionnaires. The characteristic of quantitative research is to establish the relationship between independent variable and dependent variable within a population. Hence, quantitative research method is adopted for this purpose.

Cross-sectional strategy will be used in this study since data will be gathered from the participants in a single population using a set of survey questionnaire (Olsen & George, 2004). This would be an ideal selection as it is relatively easy and fast, and at the same time, able to map the behavioural result or general overview of the population where the study was carried out (Sedgwick, 2014).

This research will be utilizing primary data through survey questionnaire. According to Kothari (2014), primary data collection is easy and convenient. In addition, survey questionnaire saves time and less costly compared to interview or observation (Teherani et al., 2015). In this research, survey questionnaire will be deployed to collect data. Survey questionnaire is straightforward and easily accessible way of collecting data specifically designed for participants to answer research question (Sedgwick, 2014). Likert Scale of 1-5 will be implemented allowing participants to rate each questions (Likert, 1932).

Data was collected from the employees of Elken Sdn Bhd, Malaysia where this research took place. The total numbers of employees are 463. Based on the information provided by the Human Resource Department, there are 162 numbers of employees that have attended any sorts of training program within the August 2018 till February 2019; hence they become the target population for this study. Since the researcher used all the target population consisted of 162 employees, hence census method is being adopted. Census method is where samples are collected from each and every individual related to its subject matter (ABS, 2013). A total of 162 survey questionnaires were distributed with 124 responses returned completely and accepted. The remaining of the survey responses were being rejected as 12 was incomplete, seven participants opt not to take part, four of them were on leave, six were out of office for business trip and nine of them were not contactable and did not return the questionnaire without any specific reason. To ensure the quality of responses received and adherence to research ethics, participation of the survey are strictly voluntary and without any obligation.

IV. Result and Findings:

Reliability test:

Cronbach’s Alpha will be used to test the reliability and internal consistency of the data obtained for this research. By calculating the Cronbach’s Alpha value, the quality of Likert scale can be discovered and hence reliability is tested (Gliem & Gliem, 2003). According to Tavakol & Dennick (2011), should the value of Cronbach’s Alpha is >0.9, it indicates very high reliability. Should the value range from 0.7 to 0.9, it shows high reliability. Any value within 0.6 is still acceptable however if the value falls within 0.5 it shows poor reliability and any value lower than 0.5 indicates non-reliability.

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Table 1: Reliability Test

<table>
<thead>
<tr>
<th>Reliability Statistics</th>
<th>Variable</th>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>.959</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>On-The-Job</td>
<td>.902</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Off-The-Job</td>
<td>.928</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Employee Performance</td>
<td>.949</td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>

Based on the reliability test conducted, as shown in Table 1, the overall reliability value shows Cronbach’s Alpha value of 0.959 which indicates very high reliability. The breakdown of variables shows that employee performance having the highest reliability value of 0.949, followed by off-the-job training with 0.928 and on-the-job training at 0.902. All of the Cronbach’s Alpha values demonstrated very high reliability and internal consistency in all variables.

**Descriptive statistics:**

According to Malhotra (2004), descriptive statistic analyzed a large number of data in order to attain a comprehensive yet straightforward view of the entire population. Descriptive analysis presents an obvious evaluation from mean where it measure the central tendency and standard deviation which look into the degree of dispersion, generated from SPSS to examine the correlation and coefficient of the variables (Larson, 2006). According to Sall et al (2005), the highest mean value indicates the most significant independent variable impact on the dependent variable whereas standard deviation with low value or less than one means that most of the value are very close to the average which is a good sign.

Table 2: Descriptive Statistics

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>EMP</th>
<th>ONTJ</th>
<th>OFFTJ</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>124</td>
<td>124</td>
<td>124</td>
</tr>
<tr>
<td>Minimum</td>
<td>1.000000000000</td>
<td>1.700000000000</td>
<td>1.000000000000</td>
</tr>
<tr>
<td>Maximum</td>
<td>5.000000000000</td>
<td>5.000000000000</td>
<td>5.000000000000</td>
</tr>
<tr>
<td>Mean</td>
<td>3.881720430000</td>
<td>3.898387097000</td>
<td>3.761290323000</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.780224817000</td>
<td>.639230212000</td>
<td>.699443411000</td>
</tr>
</tbody>
</table>

By looking at the descriptive statistic as show in Table 2, it shows that on-the-job training have the highest mean value of 3.898 with standard deviation value of 0.639 which suggest that on-the-job training have the most significant impact on employee performance as compared to off-the-job training with mean value of 3.761 and standard deviation of 0.699 which also indicates strong and significant impact on employee performance with slightly lesser than on-the-job training.

**Correlation:**

According to Imn& Hassan (2015), correlation analysis is used to establish the relationship between two or more variables. Correlation analysis is widely used to determine if two or more variables are having a positive relation or otherwise (White &Korotayev, 2004). According to Landau &Everitt (2004), the correlation value ranging between +1 to -1 indicates whether the variables are positively or negatively correlated.

Table 3: Correlation Analysis

<table>
<thead>
<tr>
<th>Correlations</th>
<th>EMP</th>
<th>ONTJ</th>
<th>OFFTJ</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMP</td>
<td>Pearson Correlation</td>
<td>.711**</td>
<td>.777</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>124</td>
<td>124</td>
<td>124</td>
</tr>
<tr>
<td>ONTJ</td>
<td>Pearson Correlation</td>
<td>.711**</td>
<td>.625</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>124</td>
<td>124</td>
<td>124</td>
</tr>
<tr>
<td>OFFTJ</td>
<td>Pearson Correlation</td>
<td>.777**</td>
<td>.625**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>124</td>
<td>124</td>
<td>124</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.05 level (2-tailed).**

Referring to Table 3 above, both on-the-job training and off-the-job training has high positive correlation with Employee Performance with correlation value of 0.711 and 0.777 respectively. According to Malik et al (2014), the significant values lower than 0.01 indicates significant relationship. Hence, both on-the-job training and off-the-job training have high significant positive relationship with employee performance.
Regression

According to Faraway (2002), regression analysis is adopted to assess the relationship between variables. Regression analysis exhibits the correlation among one variable to another variables (Campbell & Campbell, 2008). According to Robert (2007), if the adjusted R Square value shows higher than 0.6 means that it is a good fit model. Durbin-Watson test suggested that value between 1.5 till 2.5 is acceptable and indicates no auto correlation which is a good sign (Bakon& Hassan, 2013).

From the above Table 4, the R Square value of 0.688 indicates that 68.8% of the independent variables have an impact on the dependent variable. This means that on-the-job training and off-the-job training can impact employee performance by 68.8%. The adjusted R Square value of 0.683 which is above 0.6 indicates that the model is a good fit. The Durbin-Watson value of 2.054 which falls between the range of 1.5 to 2.5 shows there is no auto correlation and hence, Durbin-Watson analysis is acceptable (Durbin & Watson, 1950).

Table 5: Coefficients Analysis

By referring to Table 5 above, the standardized coefficients beta value for both on-the-job training and off-the-job training are 0.370 and 0.546 respectively with significant value of 0.000 which is obviously lower than 0.01. According to Wang & Huynh (2013), if the significant level is lower than 0.01, it indicates significant impact. Hence, both H1 and H2 hypothesis are accepted whereby both on-the-job training and off-the-job training have a positive significant impact on employee performance.

This research suggested that on-the-job training have a positive significant impact on employee performance. This finding is similar to Shafini et al (2016), Kum et al (2014), Falola et al (2014), Khan et al (2011) and Awang et al (2010). Those researches conducted agreed that on-the-job training is able to deliver training in an effective manner which allows employee to practice immediately as they learn. Similarly, off-the-job training also shows a positive significant impact on employee performance. This finding is also supported by Maina&Waithaka (2017), Shafini et al (2016), Haslinda (2016), Falola et al (2014) and Mtulo (2014). Most researchers agreed that off-the-job training provides a more conducive environment to employee for better learning and concentration.

V. Conclusion

Training is among the most crucial activity in an organization due to its ability to enhance individual strength and performances which could eventually leading to achieving organizational goals (Abudi, 2008). This research work is performed to examine the impact of training methods on employee performance. The variables adopted in this research are on-the-job training and off-the-job training. This study comes with two objectives which are to examine the impact of on-the-job training and off-the-job training on employee performance. Supported by various empirical studies together with references of relevant models and theories, the summary of findings is being discussed as below.

Based on the results generated on descriptive statistics, on-the-job training score a high number mean value of 3.898 with standard deviation value of 0.639. The correlation analysis shows the value of 0.711 with significant value of 0.000 explained that on-the-job training have a positive significant relationship with employee performance. Based on the regression analysis, on-the-job training beta value stands at 0.370 with significant value of 0.000 which means that on-the-job training have a positive significant impact on employee performance. Off-the-job training holds the mean value of 3.761 and standard deviation of 0.699 which also suggested that off-the-job training have strong and significant impact on employee performance. Off-the-job training obtained a correlation value of 0.777 with significant value of 0.000 is also showing similar findings.

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where it also have a positive significant relationship with employee performance. Finally, the beta value of 0.546 with significant value of 0.000 indicates off-the-job training have a positive significant impact on employee performance. Based on the beta value reading, the researcher also found that off-the-job training has a higher impact compared to on-the-job training.

As we are aware, there is no single training method that suits all. Hence, the Human Resource Department, particularly the Training and Development practitioner should constantly evaluate the best approach of training from time to time. At the same time, it is also vital for organization to access on post-training evaluation as it is also crucial in helping to identify the effectiveness of the overall program and not only limited to the training method.

Future studies may also include more variables or mediating factors in order to obtain a more comprehensive approach of studies on the impact of training methods. It is also suggested that future research may consider looking into analyzing the relationship and impact between training needs and training methods which will enable an in depth understanding on the subject matter.

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