WORKPLACE ENVIRONMENT FACTORS INFLUENCING TRANSFER OF TRAINING IN SARAWAK ENERGY BERHAD

Edwina Mandak

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EDWINA MANDAK

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ABSTRACT

Training is regarded as an obligatory cost in many of today’s progressive organizations. However, the return on hefty investment in training is still questionable with general estimate of less than 20%. The acquisition of knowledge, skills, behaviors, and attitudes during training period contributes little value if these are not transpired to the workplace after completion of program. The understanding of how to support transfer of training is important in order for training programs to really improve organizational and individual performance. The purpose of this research is to examine the influences of workplace environment factors i.e. supervisor support, peer support, opportunity to use, influence of reward system, knowledge sharing culture, openness to change towards the transfer of training.

The data for analysis is from survey questionnaires completed by 100 technical employees that has attended technical training programs conducted by Syarikat SESCO Berhad Training Center. Opportunity to use the learning and supervisor support has been found to be significant factors in predicting effective transfer of training in this research setting. Reward system, peer support, knowledge sharing and openness to change also indicated positive links with transfer of training. Reward system turned out as a weak predictor towards training in this population. Knowledge sharing and openness to change seem to have a more indirect effect towards transfer and further studies is recommended better understand the way organizational culture influences the whole process.

The present study has achieved its objectives in examining the influences of workplace environment factors towards transfer of training. The research provides recommendations to HRD practitioners by listing the measures that can be taken to create a working environment that is more supportive to transfer process. The findings also provide evidence that can further enhance the knowledge in the area of occupational training.
ABSTRAK

Latihan disifatkan sebagai kos wajib bagi kebanyakan organisasi maju pada zaman ini. Walau bagaimana pun, pulangan daripada pelaburan yang besar dalam program latihan masih di tahap yang kurang memuaskan, di mana secara umumnya anggaran pulangan adalah kurang dari 20%. Pengetahuan, kemahiran, sifat dan perwatakarn yang dipelajari sewaktu latihan tidak banyak memberi manfaat sekarang semua ini tidak diaplikasikan ke tempat kerja selepas latihan. Pemahaman terhadap bagaimana menyokong pemindahan latihan adalah penting agar program latihan dapat memberi kesan i.e. memperbaiki prestasi organisasi dan individu. Tujuan kajian ini adalah untuk mendalami pengaruh persekitaran di tempat kerja contohnya, dorongan penyelia, dorongan rakan sekerja, peluang untuk mengaplikasi, pengaruh system penganugerahan, budaya berkongsi pengetahuan dan keterbukaan terhadap perubahan, terhadap proses pemindahan latihan.

Data yang dianalisa dikumpul menggunakan soalan survei daripada 100 pekerja kumpulan teknikal yang telah menjalani latihan teknikal di Pusat Latihan Syarikat SESCO Berhad. Peluang menggunakan pembelajaran dan sokong penyelia didapati sebagai faktor nyata yang dapat menentukan keberkesanan pemindahan latihan dalam kajian ini, Sistem anugerah (reward system), sokong rakan sekerja, budaya berkongsi pengetahuan dan keterbukaan terhadap perubahan juga mempunyai kaitan positif terhadap pemindahan latihan. Sistem anugerah didapati agak lemah dalam menjangka pemindahan latihan dalam populasi ini. Perkongsian pengetahuan dan keterbukaan terhadap perubahan dilihat seperti mempunyai kesan tidak langsung terhadap pemindahan dan perkaitan ini disarankan untuk kajian di masa hadapan.

Kajian ini telah mencapai objektif dalam lebih memahami pengaruh persekitaran tempat kerja terhadap pemindahan latihan. Kajian ini telah memberi saran kepada pengamal PSM dengan menyenaraikan langkah-langkah yang boleh diambil untuk membentuk persekitaran tempat kerja yang menyokong process pemindahan latihan. Dapatan kajian juga memberi bukti yang dapat memperluaskan lagi pengetahuan dalam skop latihan perkerjaan.

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CHAPTER 1
INTRODUCTION

1.0 INTRODUCTION

This Chapter provides an overview of the research, starting with the background of the study which provides the introduction to the concept of training and the relevant issues in today's organizations. It includes a brief run-through of main literatures on transfer of training. This is followed by the problem statement section, which zooms into the gaps in previous studies that the current research intends to explore. The whole study is built around the research objectives, which are stated in the next section. The Chapter then moves to the proposed conceptual framework, research hypotheses, importance of studies, its limitations and the definition of important terms to be used throughout the report.
1.1 BACKGROUND OF STUDIES

Malaysia has grown from an agricultural and commodity dependent economy in the 1960s, to the present export-oriented economy. The present economy is driven by high-technology, knowledge-based and capital-intensive industries (MIDA, 2010). Economies experiencing rapid industrialization have been driven strongly by significant transition in supply of human capital. One of the strategies that dominated human capital development in industrialization is from learning by performing (Rasiah, 2002).

The transformation of the economy demands for technological skills and expertise, as well as labour force equipped with tacit knowledge and a high level of thinking skill. Hence, numerous efforts have been made by the Government to ensure that the education and training system has the capacity to enhance the quality of intellectual capital as well as expand human capital (Abdullah, Rose, & Kumar, 2007). In the 2011 national budget, RM200 million has been allocated from the Human Resource Development Fund to be used by companies to fund specific training programs for their employees, and RM100 million was allocated by Ministry of Human Resource to give employees the opportunities to enhance their skills in various technical fields (Razak, 2011).

At the firm level, employee training and development is a crucial element in achieving sustainable competitive advantage and long-term survival in the industry (Othman & Poon, 2000). Fundamentally, trainings are conducted in order to enhance employee occupational knowledge and skills, improve individual job performance and collectively enhance organizational performance. In order to accomplish organizational tasks and improve employee performance, trainings conducted should benefit both the employees and the whole organization
(Bhatti & Kaur, 2010). Nowadays, training has evolved from its fundamental role of just imparting knowledge, to becoming a tool for talent management. Employees who are given opportunities to develop through learning are found to be more inclined to stay in an organization (Govaerts et al, 2011).

In order for learning acquired through training to be translated to improvement of individual performance, the trainees must be able to apply the learning to his or her workplace. (Holton, 1996; Holton, Bates, & Rouna, 2000). Transfer of training is the extent to which trainees that completed a training program are able to effectively apply the knowledge and skills obtained to a workplace or job situation (Baldwin & Ford, 1988). After learning and acquiring the training content, trainees are expected to transfer the knowledge and skills obtained to the work context with the intention of enhancing job performance over time (Noe, Colquitt, & LePine, 2000).

If the trained skills are not effectively transferred to a workplace, neither the employee, in this case the trainee, nor the organization benefits from the training. Factors that influence training effectiveness must therefore be put into serious consideration in order for organizations to be able to profit from investments into training (Elangovan & Karakowsky, 1999). A large number of previous researches discovered that learning and development does not create performance change at an acceptable rate. In fact, most estimate only about 15% to 20% of the learning investments in organizations actually translated to improvement in work performance. A number of theoretical models have been introduced over the years on how to enhance learning in order to maximize its impact on performance (Wilson Learning Worldwide Inc., 2009). In order for organizations to increase their return on investment from training, it is important to
recognize, understand and manage the factors that support transfer and inhibit the transfer process.

This research intends to provide HR practitioners and academicians with useful evidence and findings that can further enhance the present knowledge and understanding of environment factors influencing transfer of training, especially in the context of Malaysian organizations.

1.2 PROBLEM STATEMENT

The acquisition of knowledge, skills, behaviors, and attitudes during training period contributes little value if these are not transpired to the workplace after completion of program. The investment on training is thus worthless if it fails to result in improved individual performance; and consequently the organizational performance. The understanding of how to support transfer of training is important in order for training programs to really improve organizational and individual performance (Yamnill & McLean, 2001).

The influence of workplace environment factor is especially important when it comes to evaluating the level of training transfer. Workplace environment refers to factors such as managerial and peer encouragement, adequate resources, opportunities to apply learned skills, technical support, and consequences for using training on-the-job (Martin, 2010; Foxon, 1993).

Supervisor's support, peers' support, opportunity to use the leaning acquired, reward system and openness to change, have been studied in many past literatures as organizational or environmental climate factors that influence training transfer (Al-Eisa,
Knowledge sharing behavior, on the other hand, is a relatively newly explored variable in the studies of factors influencing training transfer. To the best of the researcher's knowledge, Baharim's (2008) work may be one of the first attempts to address knowledge sharing behavior as a factor influencing motivation to transfer training in the context of Malaysian public sector. The findings from his research indicated that knowledge sharing behavior positively influences motivation to transfer. Considering that the research on the effect of knowledge sharing is quite recent, there has not been any other research exploring this variable. Driven by this finding, the researcher feels that knowledge sharing culture in an organization may play a certain role in transfer of training, and therefore to be explored in the current research.

A handful of literatures on training in Malaysian context in the past decade left much to be discovered. Ismail et al (2009) tested a conceptual framework where supervisor communication was found to be indirectly affecting transfer of competency and job performance via motivation to learn. Ismail et al (2010) carried out a similar research among the employees on state library in East Malaysia and concluded that motivation to learn acts as a partial mediating variable in the relationship between a supervisor's role and job performance. This conclusion concurred with training research literatures which are mostly published in foreign organizational settings.

Generally, the study on relationship between work environment and climate factors, and training transfer is still very rarely conducted in Malaysian context. Further to that, much need to be studied on the influences of knowledge sharing culture towards individual
performance. Driven by these deficiencies, the researcher is motivated to explore the nature of this relationship.

1.3 RESEARCH OBJECTIVES

1.3.1 General Objective

The general objective of this research is to examine the influences of workplace environment factors i.e. supervisor support, peer support, opportunity to use, influence of reward system, knowledge sharing culture, openness to change towards the transfer of training, from the trainees point of view.

1.3.2 Specific Objectives

The specific objectives of this research are:

1. To examine the relationship between opportunity to use the newly acquired knowledge and skills learned in the workplace, and the transfer of training.
2. To examine the relationship between the organization’s present reward system and the transfer of training.
3. To examine the relationship between supervisor’s support and the transfer of training.
4. To examine the relationship between peers’ support and the transfer of training.
5. To examine the relationship between trainee’s perceived level of organizational knowledge sharing culture to the transfer of training.
6. To examine the relationship between trainee’s perceived level of organizational openness to change and the transfer of training.

7. To examine the ability of these six (6) environmental factors in predicting transfer of training.

1.4 CONCEPTUAL FRAMEWORK

Figure 1.1: Conceptual framework in studying the relationship between workplace environment factors and transfer of training

<table>
<thead>
<tr>
<th>INDEPENDENT VARIABLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work System Factors:</td>
</tr>
<tr>
<td>• Opportunity to Use</td>
</tr>
<tr>
<td>• Reward system</td>
</tr>
<tr>
<td>Social Factors:</td>
</tr>
<tr>
<td>• Supervisor’s Support</td>
</tr>
<tr>
<td>• Peers’ Support</td>
</tr>
<tr>
<td>Culture Factors:</td>
</tr>
<tr>
<td>• Knowledge Sharing</td>
</tr>
<tr>
<td>Culture</td>
</tr>
<tr>
<td>• Openness to Change</td>
</tr>
</tbody>
</table>

DEPENDENT VARIABLE

• Transfer of Training

Sources:
The conceptual framework in Figure 1 represents the guideline to establish the research hypotheses of the present study.

1.5 RESEARCH HYPOTHESES

The hypotheses of this study are as follows:

H1 : The existence of opportunity to use learning is positively related to effective transfer of training

H2 : The implementation of reward system that support application of newly trained skills is positively related to effective transfer of training

H3 : Supervisor's support is positively related to effective transfer of training

H4 : Peers support is positively related to effective transfer of training

H5 : Knowledge sharing as an organizational culture is positively related to effective transfer of training

H6 : Openness of change as an organizational culture is positively related to effective transfer of training

H7 : There is a significant relationship in the construct of workplace environment six factors towards transfer of training
1.6 IMPORTANCE OF STUDY

The findings of this study are expected to contribute to the existing literature on training transfer and to enhance our understanding of the effects of the selected factors on the relationship between work environment factors and transfer of training. Another importance of this study is to further explore the possible influence that knowledge sharing behavior have in the study of training transfer in Malaysian setting.

The study was conducted on a sample of technical employees from the electricity supply sector in Sarawak. To the best of the researcher’s knowledge, most previous empirical studies have been carried out in other countries; whereas the known local studies were in public sectors, learning institutions and manufacturing industry. Some of the unique characteristic of the electricity supply sector setting that this research offers are:

a) The higher level of technical knowledge and skills involved in the technical training to the technicians as compared to other industries previously studied

b) Socio-cultural factors that influence the work environments in Sibu, Sarawak differ from those affecting the environments in other geographical location. Culture and social contexts have been recognized as powerful

c) The highly male dominated demographic of the population (more than 95%) is also a unique compared most other sectors. Miller & Karakowsky (2005) discovered that there are differences between the knowledge sharing behavior of men and women. A study by (Ismail & Mohammad Yusof, 2009) on the effects of demographics on knowledge sharing in Malaysian public sector shown otherwise, that gender does not significantly influence to knowledge sharing quality.
1.7 LIMITATION OF STUDY

The first limitation of this research is that the data collected to test the hypotheses are from self-report questionnaires. The inaccuracy of self-report data can be caused by dishonest feedback and different level of perceptions by different individuals. Another limitation of this study is related to the proposed model of this study. In the framework, limited number of variables is included, when in fact there are a larger number of variables potentially influencing the examined relationship, such as goal orientations, self-efficacies, training design, post-training activities, management role etc. Further to that, the research only uses quantitative data for analysis. It is encouraged that qualitative method to be incorporated in future studies, in order to cover greater depth and to better explore underlying factors.

Secondly, the type of training is very specific to this group of population, hence it is important to not generalize the present findings to other type of trainings (e.g. computer software, administrative skills, leadership).

Thirdly, population target is rather small (<200 person), which gives correspondingly lower sample data collection. Although this study complies with the minimum sample requirement, a bigger sample and larger target population size would be able to produce more accurate results.
1.8 DEFINITION OF TERMS

- **Transfer of training**: The extent to which trainees that completed a training program are able to effectively apply the knowledge and/or skills obtained to a workplace or job situation (Baldwin & Ford, 1988).

- **Opportunity To Use**: The extent to which trainees are provided with or obtain resources and tasks on the job enabling them to use training on the job. (Holton, Bates, & Rouna, 2000).

- **Reward System**: The system in HR that gives employees benefits as a consequence of applying their learned skills, knowledge, behaviour and attitude during training to the workplace (Holton III, Bates, Seyler, & Carvalho, 1997; Elangovan & Karakowsky, 1999).

- **Supervisor’s support**: The extent to which supervisors/ managers support and reinforce use of training on the job. (Holton, Bates, & Rouna, 2000)

- **Peers’ support**: Extent to which peers reinforce and support use of learning to the job. (Holton, Bates, & Rouna, 2000)

- **Knowledge sharing culture**: This organizational culture is one where the members openly share, with existence of willingness to mentor and teach other members, ideas can be freely challenged and where knowledge from other sources are utilized (Smith & MacKeen, 2003).

- **Openness to Change**: Extent to which prevailing group norms are perceived by trainees’ to resist or discourage the use of skills and knowledge acquired in training. (Holton, Bates, & Rouna, 2000)
CHAPTER 2
LITERATURE REVIEW

2.0 INTRODUCTION

This literature review chapter provides in-depth explanation on each component of the research framework and gives readers better understanding in the concepts leading towards the undertaking of the present study. Firstly, the chapter elaborates the meaning of training, and transfer of training. This is followed by a chronological run-through of important literatures related to transfer of training and review of previous research models or frameworks. In the conclusion section, a summary is made on the components that make up the framework of the current study.

2.1 TRAINING AND TRANSFER OF TRAINING

Training may be referred as the acquisition of knowledge, skills, and competencies as a result of the teaching of skills and knowledge that relate to specific useful competencies. Training programs should benefit organizations by gain in form of improved performance, increased productivity and internal knowledge growth (Lim & Morris, 2006; Bhatti & Kaur, 2010). At the same time organization reward its employees when performance improvement occurs as a result of training application to workplace (Elangovan & Karakowsky, 1999).
Over the years, the role of training has evolved and is recognized by today’s progressive organizations as a strategic tool in enhancing its competitive advantage (Blume, 2009). Trainings can be carefully tailored to achieve specific goals of an organization (Shoobridge, 2002). Training also plays an important role in organizational talent management. Employees who are given opportunity to develop though learning are found to be more inclined to stay in an organization (Govaert et al, 2011).

Training is regarded as an obligatory cost in a progressive organization (Blume, 2009) and is an expensive investment (Cheng & Ho, 2001; Blume, 2009). The American Society for Training and Development reported that more than US125 billion is spent annually for employee training and development (Paradise, 2007). In Malaysia’s 2011 national budget presentation, RM200 million is allocated from the Human Resource Development Fund to be used by companies to fund specific training programs for their employees, and RM100 million is allocated by Ministry of Human Resource to give employees the opportunities to enhance their skills in various technical fields (Razak, 2011).

Despite the substantial amount of investments and the great potential that can be benefitted from effective transfer of training, organizations has not been able to control the effective application of new learning in the work place (Blume, 2009). In the US, only 10 percent of expenditures in training lead to positive outcomes to organizations (Georgenson, 1982). A more recent report by Wilson Learning Worldwide Inc., stated that most estimates suggest that only about 15 to 20% of the learning investments organizations make actually result in work performance changes (Leimbach, 2009).

Many organizations adopt trial and error approach in managing training and its effectiveness. This rather directionless approach could be time-consuming and cause further loss
in investment (Cheng & Ho, 2001). The understanding of transfer of training is very important in order for individuals and organizations to truly benefit from training (Yamnill & McLean, 2001).

Generally, trainees would have some level of transfer intention immediately after completing a training program. However, the various environmental factors may start to deter their intention almost as instantly after they come back to their workplace. A trainee with low intention to transfer is unlikely to display high degree of training transfer on the job (Foxon, 1993).

Based on Al-Eisa, 2008, transfer intention and motivation to transfer are quite similar conceptually, but actually represent different constructs and measured in different ways. Motivation to transfer refers to the desire of a trainee to use the knowledge and skills mastered in training on the job (Noe, 1986; Holton, Bates, & Rouna, 2000). Transfer intention can be regarded as an endpoint of the motivational process that covers the scope of trainee motivation to transfer. Transfer intention is referring more to a trainee’s tendency to initiate transfer, rather than to the motivation or desire to apply newly acquired knowledge or skills. However, despite the mentioned dissimilarity, motivation to transfer and transfer intention are very much related and can be influenced by the same factors (Al-Eisa, Furayyan, & Alhemoud, 2009).

Transfer of training may be defined as successful application, generalisability and maintenance of knowledge, skills, behaviour and abilities gained from training context to the workplace context (Baldwin & Ford, 1988; Foxon, 1993; Holton III, Bates, Seyler, & Carvalho, 1997).

Baldwin and Ford’s review on transfer of training in 1988 is one of the most referred literatures as the guide to many relevant researches thereon. Since then considerable progress has been made in understanding factors influencing the transfer. These factors are often generalized
into three main groups i.e. training design, trainee characteristics and work environment (Baldwin & Ford, 1988; Elangovan & Karakowsky, 1999; Yamnill & McLean, 2001; Cheng & Ho, 2001; Burke & Hutchins, 2007).

This research zooms into the study of the work environment factors that affect the transfer in either inhibiting or prohibiting manner. One appeal of understanding work environment factors influence is that these factors can be controlled, created and intervened by the management. Work environment variables can potentially be actively managed to create a work place situation that is most conducive to transfer (Blume, 2009). Although practitioners stress the importance of the work environment in creating positive transfer, empirical research focusing on this dimension was limited (Baldwin and Ford, 1988). After that, various studies have been conducted based on the suggested factors such as work-environment elements, continuous learning culture and task constraints (Foxon 1993; Facteau et al., 1995; Tracey et al., 1995). This research also includes the exploratory variable i.e. the study of the influence of knowledge sharing culture towards transfer of training. Learning organization and transfer of training are critical factors for improving performance and gaining a competitive advantage but require further investigations (Weldy, 2009). Any relationship between the learning organization and transfer of training could lead to performance improvements and maximize the benefits gained and enable organizations to remain competitive. In Malaysian public sector, it was found that positive knowledge sharing behaviour among trainees encourages trainees’ motivation to transfer training (Baharim, 2008).
2.2 TRANSFER OF TRAINING MODELS AND ENVIRONMENT FACTORS

2.2.1 Baldwin & Ford’s (1988) Model of Transfer Process

Baldwin and Ford’s (1988) review on transfer of training is one of the most influential literature in this field of study. Their conceptual framework has attracted a lot of empirical studies to investigate how trainee characteristics, job attitudes and work environment affect the transfer of training process (Cheng & Ho, 2001; Yamnill & McLean, 2001; Burke & Hutchins, 2007; Diggs, 2011).

In the proposed model, the transfer process is explained under three groups of variables i.e. training input factors, training outcomes and condition of transfer. The training input factors consist of trainee characteristics, training design and work-environment characteristics.

The trainee characteristics refer to his or her ability, training motivation and personality (Baldwin & Ford, 1988). Prior to the year that Baldwin & Ford’s (1988) review was published, there was deficiency of research done to examine the effect of individual trainee characteristics to transfer. However, in the following years, the body of literatures on this subject has increased and a variety of transfer variable has been introduced (Lim & Morris, 2006). According to Foxon (1993), the trainee characteristics has been estimated to account for 21% of the inhibiting factors of trainees intention to transfer, which will in turn affect the whole transfer effectiveness. Learner’s motivation has been indicated to have greater effect to transfer (Cheng & Ho, 2001; Foxon, 1993; Lim & Morris, 2006). Among other personal characteristics that could inhibit transfer are difficulty with training content mastery, inability to relate training to the job requirements (Foxon, 1993), trainee’s goal (Nikandrou, Brinia, & Bereri, 2009) and perception towards benefits from reward system (Lim & Morris, 2006).