A STUDY ON TRAINING FACTOR AND ITS IMPACT ON TRAINING EFFECTIVENESS IN TIMBER INDUSTRY SARAWAK

Law Lee Muan

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A STUDY ON TRAINING FACTOR AND ITS IMPACT ON TRAINING EFFECTIVENESS IN TIMBER INDUSTRY SARAWAK

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A dissertation submitted in partial fulfillment of the requirements for the degree of Corporate Master in Business Administration

Faculty of Economics and Business
UNIVERSITI MALAYSIA SARAWAK
2012
I certify that I have supervised and read this study and that in my opinion it conforms to acceptable standards of scholarly presentation and is fully adequate, in scope and quality, as a research paper for the degree of Corporate Master in Business Administration

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This research paper was submitted to the Faculty of Economics and Business, UNIMAS and is accepted as partial fulfillment of the requirement for the degree of Corporate Master in Business Administration.

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DECLARATION AND COPYRIGHT PAGE

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I hereby declare that this research is the result of my own investigations, except where otherwise stated.

Signature :

Date : 5-5-2012

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ABSTRAK

Latihan dianggap sebagai pelaburan yang mahal bagi sesebuah syarikat dan sering diabaikan pada masa kemelesetan ekonomi. Latihan adalah peruntukan pengalaman berpandu untuk mengubah tingkah laku, sikap atau pendapat. Latihan mempunyai faedah faedah seperti meningkatkan keyakinan, motivasi, tanggungjawab, kepuasan peribadi dan meningkatkan prospek kerjaya.

Kajian ini cuba mengenal pasti faktor-faktor seperti faktor latihan reka bentuk, faktor latihan persekitaran, faktor ciri-ciri pelatih, faktor kerja persekitaran akan mempengaruhi keberkesanan latihan.

Data bagi kajian ini diperolehi dengan menggunakan kaedah soal selidik yang dibangunkan oleh penyelidik berdasarkan kajian-kajian lepas. Daripada sejumlah 200 responden, cuma 157 mengembalikan soal selidik. Data yang diperolehi diproses dan dianalisis menggunakan SPSS (v17.0) seperti analisis kebolehpecayaan, faktor analisis, ujian t sample, analisis ANOVA, analisis korelasi dan analisis regresi.

Kajian mendapati bahawa faktor latihan reka bentuk seperti isi kandungan dan strategi pengajaran, faktor latihan persekitaran seperti keselesaan fizikal dan kawalan, faktor ciri-ciri pelatih seperti keupayaan diri, faktor persekitaran kerja seperti sokongan rakan sebaya atau sokongan penyelia mempunyai, hubungan yang signifikan mempengaruhi dengan keberkesanan kursus.
ABSTRACT

Training is viewed as expensive investments for a business organization and is often neglected during recession. Training is the provision of guided experience to change behavior, attitudes or opinions. It involves benefit such as confidence, motivation, greater responsibility, personal satisfaction and enhanced career prospects.

This research includes factors like training design factors, trainee characteristics factor, work environment factor and training environment factor. This study aims to identify if the mentioned factors will influence the training effectiveness.

The questionnaires were distributed to 5 timber industry companies, targeting 200 respondents. Only 157 respondents returned their questionnaires. Data was processed and analyzed using SPSS (v17.0) such as reliability analysis, factor analysis, independent sample t-test, one way ANOVA analysis, correlation analysis and regression analysis.

The result shows show that respondents perceive the training design factors such as content relevance and instructional strategies, trainee characteristics factor such as self efficacy, work environment factor such as peer or supervisor support, training environment factor such as physical comfort and control are significantly influencing the training effectiveness.
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CHAPTER 1

INTRODUCTION

In chapter 1, the researcher will introduce the background of the thesis and the aim of this thesis study, and also will explain the motivation to this study.

1.1 Sarawak Timber Industry

For the past 30 years, Sarawak with its huge areas of natural rainforest resources has developed its timber industry and became the major exporter of timber. From 1980 to 1990, the timber industry in Sarawak has become fully integrated and has processed over sixty percent of the harvested logs locally. Today, Sarawak has become one of the world’s largest hardwood timber exporters (Daniel Faeh, 2011). Because of the abundance of the nature rainforest, today we can see many logging companies in Sarawak which have become huge enterprise groups in just a short time. But today, many logging companies struggle in the rapidly changing global business environment. Only through training can they cope with the competitiveness by increasing company values and reputations.

The Sarawak forest industry plays a significant part in the state’s socio-economic development as forest harvesting has always been a major contributor to Sarawak’s economy. The forest-based industries in Sarawak generate economic activities by providing added income and employment opportunities through downstream processing and the development of value-added products for the domestic and export markets. The contribution of the timber industries is fluctuated in terms of trends due to forest policies in the development of timber trade and wood based industries, and
the licensing system applying in the states (Pakhriazad et al., 2006; Pakhriazad, & Mohd Hasmadi, 2009).

The Malaysian government has emphasized the importance of training for employees in the manufacturing sector through various initiatives. In 2007, the government provided a budget of approximately RM 45 million through the human resource council to help the manufacturing sector carry out employee training. This is because the Government believes that an investment in human capital is the key to success of the country's economic growth. (Ministry of Human Resources, 2008)

Training is selected to be topic of this thesis because in-depth understanding of human resource management is very beneficial toward organizations that are faced with high competitive development. Meanwhile can take this opportunity to understand how important of training to organization.

Human Resource Management can be defined as the backbone of the organization and its scope is focused on all employees in the organization. The responsibility of the human resource is to carry out a variety of major parts such as recruitment and selection, effectiveness of training, compensation and measurement to ensure employees to perform their jobs more effectively and production reaches the organization goals. In addition to the workers of the organization, human resource also carries out effective training programs in order to enhance the ability of the employee to become a high performance worker. (Baird & Meshoulam, 1988)

In an organization, the workers are a very important asset. Organizations need highly-skilled and knowledgeable employees to carry out the job more effectively to achieve the organization's goal. The organization cannot achieve their goals without high performance workers. Thus, training is one of the most profitable investments that an
organization can adopt. Only through training, can the employees become highly skilled enough to achieve the organizational goals easily. (Schuler & Jackson, 1987); (Jackson, & Schuler, 1995)

Training can be stated as a very important part in human resource management. As every organization knows, training is the ability to transfer all knowledge, skills and experience to the employee during the training at the workplace. Hence, training can only be considered successful when the effectiveness of the training program enhances the trainee’s performance. Successful training program refers to the knowledge, experience, and skills the trainees has learned in the training program and then applies all the knowledge to an actual working situation and retains it. (Baldwin and Ford, 1998; Foxon, 1993; Elangovan & Karakowsky, 1999)

Training can proceed in a number of ways like off the job training which means training at an outside organization and on the job training mean training within the organization. The organization’s success lies on the employee who can perform their job efficiently to reach the organization’s goals. Organization productivity can be improved by the efficient and effective training.
1.1.1 Background Study

Today, with the high tech and high competitive environment, limited resources and rapid technological changes in the world, many organizations start to realize the importance of training. Hence, if a company wants to be able to catch up with the paces, training programs required must be well planned and managed properly to make sure employees can apply what they have learned from the training programs to increase their work performance (Garofano & Salas, 2005).

Training in an organization refers to a learning process which is planned to change attitude, increase knowledge and skills of the employees to ensure that their performance can be upgraded. Therefore, trainees are expected to be able to practice and transfer learned knowledge, skills and attitudes during training to their workplace, maintain it overtime and generalize across contexts.

Transfer of training is the effective and continuing application of the knowledge and skills gained in training setting by the trainees to their job. In addition, it is also defined as the ability or capacity of the trainees to take the knowledge and skills that they received from the training setting and utilize them to their work practice.

In order to improve transfer of training, it is important for organizations to understand the factors that affect training effectiveness, but also to ensure that the organization training evaluation model takes account of these factor. There are three main factors that might affect training effectiveness. The first main factor is trainee characteristics which involve employee's motivation and ability. The second factor is training design which includes creating a learning environment, apply theories of transfer and use self-management strategies. Lastly is work environment which encompasses the
climate for transfer management and peer or supervisor support, opportunity to perform and technological support.

The training program must be able to deal with the effects of the world’s daily changes. That means the staff work in human resource department must be aware with the effect of globalization and technical changes, workforce diversity and employee involvement. It is because no matter what aspect changes in the working process it will crash the whole business operation so many organizations now look upon training as a valued investment rather than expenses (Noe, 2000); (Clements and Josiam, 1995).

Employee training is an important and indispensable part in human resource management. According to an old Chinese proverb by Lao Tzu, “Give a man a fish, and he only can feed himself for a day. Teach a man to fish and he can feed himself for a lifetime”. (http://www.articlesbase.com-assess at 10/1/12) This old Chinese proverb has explained that an organization needs to train an employee in order to control the employee rather than just giving the employee a job of income. If a supervisor or manager helps his worker and does things for them all the time, then they will rely on their supervisor or manager, which is not only unhealthy for their development of skills, but also potentially dangerous, if the supervisor or manager is not there to help them one day.

An organization’s investment in training may not be the best method to the organization to survive in the high competitive market, but without the training, it will cause the organization to be unable to catch up with the pace of the high tech world and competitive market environment. In addition, only providing the training to the
employee is not enough, it must have a well-structured measuring system to help the organization ensure that training to their employee is effective.

1.1.2 Important of Training to organization

Akintayo (1996), Oguntimehin (2001) highlighted that training is an important tool that is used by the human resource department to enhance the employee to become a high performance worker to carry out the job more effectiveness. They identifies the important of training as follow: increased productivity, helps increase output, reduces error and wastage, improve job safety, improving the quality of work and work life, improved organization profitability, building the positive view and feeling about the organization, helps develop the sense of teams work and team spirit, eliminates obsolesce in skill, technologies, method and capital management and helps in improving the morale of the workforce.

1.2 Problem Statement

Nowadays, many organizations feel that implementation of employees training by increasing employees performance is a valued investment to the company. Organizations always think that return of the training investment is ensuring employees who attend training program will contribute to the organization.

The research is to investigate the factor which influences training effectiveness within the timber industry. This is important to the increasing of employee’s knowledge and skill on training effectiveness. Employees will improve their ability to carry out the daily duties with efficiency when the training programs attended are effective.
According to Broad and Newston (1992), most of the organizations comment that training to their employees is a waste of money. This is because the trainees cannot apply the knowledge they have learned in the training program. This situation means the transfer of the learning process is unsuccessful in the organization. Regarding Dessler (1997), training can be a waste if trainees attitude is unable to change at the workplace through the training program. Baldwin and Ford (1998) discovered that there are several factors that hinder the successful training in an organization.

For this reason, organizations need to analysis and try to find out those issues which contribute to ineffectiveness of training to the trainees. Ford and Weissbein (1997) observe that ineffective training is cause by four factors. Firstly, is the standard problem of how to transfer training is carrying out and defined. The second is the task used to evaluate the training process low complexity. Third is the lack of attention about the characteristics of working environment. The last factor is the insufficiency of conceptual framework of trainee characteristics.

According to Longenecker (2007) ineffective training will bring the negative effect to the organization level, it will cause the quality problem, lower productivity, affect the daily operation, inflated costs, caused the damage to the machine. In addition, ineffective training also bring the negative effect to individual level, it is job dissatisfaction, no confidence, no motivation, caused accident. With the global competition, the organization wants to survive in the high tech world must ensure training provided to their employee is effective. Only effective training can help the organization continue upgrade to become more competitive with other organization in the rapid technology change world.
1.3 Objectives of the study

1.3.1 Main objectives

The objective of this study is to determine the relationship between trainee characteristics factor, training design factor, work environment factor, training environment factor and training effectiveness among admin officer in the timber industry company

- To determine a relationship between training design factors and training effectiveness
- To determine a relationship between trainees characteristics factors and training effectiveness
- To determine a relationship between work environment factors and training effectiveness
- To determine a relationship between training environment factors and training effectiveness
1.3.2 Specific objectives

Specific objectives of this study is to present empirical evidence how training factor like self efficacy, content relevance, instructional strategies, peer or supervisor support, physical comfort and control influence training effectiveness.

Baldwin and Ford (1998) stated trainee characteristics factor such as self efficacy will lead the trainees to believe that they are better able to perform the tasks after training. Guthrie and Schwoerer (1994) however, stated that self efficacy on its own does not directly affect training effectiveness, but when self efficacy was measured together with perceived peer or superior support and perceived training utility, it will have an impact on training effectiveness.

On the other hand, Baldwin and Ford (1998) also stated training design factor such as content relevance and instructional strategies were significantly related to the effectiveness of training programs. Training transfer is considered unsuccessful if the training program content relevance is designed to be not relevant to workplace and the instructional strategies carry out by trainer not effectively.

Sharma (1997) also stated that the training environment factors such as physical comfort and control effect will indirect influence the trainees approaches to learn. Training transfer is considered unsuccessful also if trainees feel not comfortable during the training because uncomfortable training environment will cause the trainee cannot concentrate during the training.
1.4 Research Questions

1. Do training design factors such as content relevance and instructional strategies influence training effectiveness in the timber industry?
2. Do trainee characteristics factors such as self efficacy influence training effectiveness in the timber industry?
3. Do work environment factors such as peer and supervisor support influence training effectiveness in the timber industry?
4. Do training environment factors such as physical comfort and control influence training effectiveness in the timber industry?

1.5 Scope of the Study

According to Noe (2000), training effectively implemented will lead to a change in behavior, job performance and productivity. This study primarily designs to review the relationship of training design factors, trainee characteristics factors, work environment factors, training environment factors and training effectiveness among employees in five timber industry companies in Sarawak.

The participant’s personal characteristics such as self efficacy were studied to determine whether self efficacy characteristics will have an impact on training effectiveness. Perceived peer or superior support was also highlighted to determine whether have an impact on training effectiveness among employees in timber industry company.