

## The Influence of on the Job Training On Employee Performance of SMES in Nowshera Region

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### *Abstract*

*Every organisation benefits from the quality of human resources and as a result education has become an issue for every organisation. The aim of this study was therefore to determine the impact of training on the performance of employees in SMEs working in Nowshera industrial area. The methodology used primarily by the data collector has been augmented by various organizational literatures. Convenient sampling technique was used to select staff for the study. The questionnaires were distributed amongst the employees across different companies. The convenient sampling technique of the non-probability sampling technique was used to gather the data. A total of 150 questionnaires were distributed out of which 102 questionnaires were returned. The data were processed through various statistical techniques. The results confirmed that on-the-job training has effect on employee performance.*

**Keywords:** *On-the-job- training, Employees performance, SMES.*

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### **Introduction**

Due to the current globalization, Organizations are facing increased competition and therefore every organization has to train their employees for a sustainable growth and development of the organization and its performance. Training is a critical process, which seeks to improve the performance of workers in the organization. Training is imparting a specific skill to do a particular job while development deals with general enhancement and growth of individual skill and abilities through conscious and unconscious learning. Employees are a major resource of any organization. Employees are made capable of doing the job prescribed to them through the process of training. It enables the employees to keep up with new methods, techniques, new machines, and equipment for doing the job (Zlate, 2015).

Well-trained and knowledgeable personnel help the organization effectively carry out its objectives and priorities. They cannot be underestimated the important role they play in the performance of a organization. In order to optimize employment efficiency, it is therefore necessary to provide these specific assets with job performance. Organizations have to obtain and utilize human resources effectively. Therefore, organisations need to adapt their human resources strategies to accommodate the framework of the enterprise in order to meet the aims and priorities of the organisations. In addition, organisations need to help their employees develop the requisite expertise and improve engagement

(Ugbomhe, 2016). Therefore, the primary priority would be to increase employee work efficiency in any organization and definitely to incorporate preparation.

The SMEs industry operates in a dynamic, fast-paced environment which demands its employees to adapt to unforeseeable factors, socio political changes, and technological advancements. This can only be achieved through a continuous training process within the institution. Training is therefore indispensable functions. In this regard, the SMEs launches the staff training program with the aim to prepare the staff to acquire new skills, sharpen existing ones, perform better, and increase productivity which is essential for a continental institution.

## **Literature Review**

### **Training**

According to Pradhan (2017) training is the process whereby people acquire capabilities to perform jobs. The focus of training is the job or task for example, the need to have efficiency and safety in the operation of particular machines or equipment, or the need for an effective sales force to mention but a few. It is “a systematic acquisition and development of the knowledge, skills, and attitudes required by employees to adequately perform a task or job or to improve performance in the job environment” (Owens, 2006). Other scholars view training as, “a planned process to modify attitude, knowledge or skill behavior through learning experience to achieve effective performance in any activity or range of activities” (Ocen, 2017).

The purpose of training is to develop the abilities of the individual and to satisfy the current and future needs of the organization. Omolo (2015) defines training as "a targeted initiative to allow workers to develop information skills and behavior. Additional experiments have been carried out worthy of respect to figure out whether businesses should educate their workers.

In general, the importance of training in the growth of most organizations has long been known. Helping workers making their employment successful is one of the most critical roles of handling staff with any corporate organization. Employers rely on the consistency of their employee's results to meet their corporate objectives; workers have an opportunity for growth, appreciation, and accomplishments to be achieved by pleasing their employers (Elnaga & Imran, 2013). The workers must then undertake this assistance.

### **On the Job Training**

Broadly, training has two types i.e. on the job training employees are given during their daily employment. are given. Employees are, by comparison, segregated from the workplace and prepared during job experience (Blanchard and Thacker, 1998).

In this study, the focus will be on on-the-job training. On the job training provides employees the knowledge and skills needed to perform their job in an effective way (Amin et al., 2013). It is considered as the primary method of providing training because the knowledge of skills learnt in training are directly applied on the job. (Bafaneli & Setibi, 2015). Job rotation, Traineeship, coaching etc. are considered as the common forms of on the job training. (Dabale, Jagero, & Nyauchi, 2014).

Each of the methods of on the job training has its own merits and demerits. This research adopts on the job training an defines is as any structured training that is provided to employees while undertaking their actual job is considered as on the job training. The next section discussed employee performance.

## Employee Performance

Performance as a term refers to the productivity of employee while performing their job tasks (Armstrong, 1995). Employee performance represents the effort needed to perform a job in an effective way (Karakas, 2010). Organizations can attain efficiency by means of their employee in a variety of ways including proficiency, productivity, and quality etc. There are different aspects of employee performance, where behavior means the action taken by employee while performing their job. Employee performance could be financial or non- financial. In context of no financial performance, Pradhan and Jena (2017) identified three forms of non-financial performance which are task, adaptive and contextual performance.

Task performance is related to the basic job responsibilities that a job holder has to do based on his or her job description. Employee's cognitive ability fostered by knowledge; skills competencies is required. Hereafter, TP is enabled by the capability of doing a job (Pradhan & Jena, 2017).

The capability to amend to a given job and to offer necessary provision to job profile in a shifting work-related setting is called adaptive performance (Pradhan & Jena, 2017). Empirical evidence suggests that once a specific degree of precision and expertise in a job is achieved, employees try to adapt to diverse requirements of the job (Huang et al., 2014; Pradhan & Jena, 2017). The effectiveness of adaptive performance is dependent on an employee's ability to tackle changing work settings (Huang et al., 2014).

Contextual performance which is also referred to as organizational citizenship behavior (OCB) includes the efforts made by employees to make the workplace a better place (Viswesvaran, & Ones, 2000). This form of performance is implicitly expected of employees and is not included in their job description.

Since this research is related to training and employee's performance, therefore task performance and adaptive performance considered as two forms of employee's performance.

## Relationship between training and employee's performance

Training could be considered as important means for improving employee's performance. On the job training could therefore be considered to improve employee performance. There is empirical evidence to support this argument, for example, Devi and Shaik (2012) research shows that training improved both individual and organizational performance. Likewise, Onyango and Wanyoike (2014) also found a positive association of training and employee performance in Kenya.

In Pakistan, Farooq and Khan (2011) found a positive connection of training and feedback and performance. Similarly, Sultana et al. (2013) found training as very important for improving the performance of employees. In similar way, Ul-Ameeq and Hanif (2013) found that training actually helps employee to improve and develop their performance.

Athar and Shah (2015) have recently discovered that training improves workforce capabilities and expertise through teaching workers, but it also contributes positively to EP growth. In the same way, Morsy, Ahmed and Ali, study (2016) showed an important correlation between training and employees' skills and results.

Although there is empirical evidence that suggests that training does influence employee performance. However, there is lack of evidence to confirm the association of on the job training and employees adaptive and task performance. Therefore, this study attempts to investigate the influence of on the job training on employees' task performance and adaptive performance. TO achieve this, aim the following hypotheses are formulated.

H1: On the Job training influence task performance in a positive way

H2: On the Job training influence task performance in a positive way

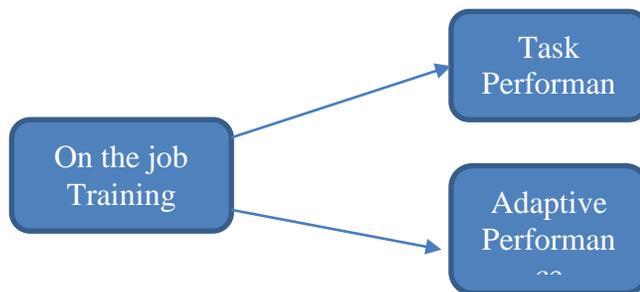


Figure 1: Theoretical Framework

## Methodology

This research is a quantitative study and descriptive in nature. Both primary and secondary data were used to support the literature and collection of data. The collected data was coded, numbered and then run through various statistical techniques to check the relationship between the selected variables. The techniques were correlation and regression analyses. This research was created on population small and medium sized companies functioning in the industrial region of district Nowshera Khyber Pakhtunkhwa Pakistan. SMEs working under the manufacturing sector chosen because most of the industrial units were located in this area. For this study a number of employees have been selected from different manufacturing units in Nowshera. A total of 150 questionnaires were distributed from which only 102 questionnaires were returned.

## Reliability Analysis

Table 1 Results of reliability statistics

Scale	Source	Number of items	Cronbach's alpha
OJT	Ocen (2017)	7	.735
Task P	Pradhan (2017)	6	.736
Adaptive P	Pradhan (2017)	7	.712

The alpha test of Cronbach was run in SPSS to verify the reliability of the adopted scales for this investigation. As Predhan and Jena (2017) indicates that the value for Cronbach's alpha will always be greater than .70. The above table shows the alpha values calculated by the Cronbach for the dependent variable i.e. task performance is (.736) and for adaptive performance, it is (.712) and for independent variable i.e. on the job training is 0.735. Consequently, the values for the constructs showed consistent and reliable and therefore recommended for the study.

## Descriptive Statistics

Verification of the data is important to monitor the data distribution before performing a regression analysis. In this study data distribution was verified by the average or standard deviation. The mean values of OJT, TP and AP are 3.9234, 3.7233 and 3.8183 this verifies that all the mean values are greater its neutral values and further shows that the opinion of the respondents are greater than its neutral values. Whereas the standard deviations values of OJT, TP and AP are .62102, .68899 and .63169 that also verifies that all these values are less than 1 and that further confirmed the threshold value for standard deviation. .

Table 2: Descriptive statistics

Variable	N	Mean	Std. Deviation
OJT	103	3.9224	.62103
TP	103	3.7232	.68898
AP	103	3.8182	.63168

Table 3: Summary of model 1.

Model	R	R square	Adjust	Std. Error of the Estimate
1	.578	.334	.328	.5648

Predictor (constant) OJT

The data were analysed using linear regression analysis that is used in the corresponding dependent variable for calculation of the resulting change produced by the independent variable. The table shows the Adjusted R square value that is a 0.328. it shows that 32.8% change in the employees' performance is due to the training.

### Coefficients Value

Table 4: coefficient

Model n		Unstandardized Coefficients		t	Sig.
		Beta	Standard. Beta		
1	(Constant)	1.207	.358	2.3188	.001
	OJT	.642	.578	11.7062	.000

Dependency variable: TP

Table 5: coefficient

Model		Coefficients (Unstandardized)		Coefficients (Standardized)	t	Sig.
		B	Std. Error			
1	(Constant)	.708	.254		2.818	.0060
	OJT	.794	.064	.778	12.495	.0000

a. DV: AP

The table 4 shows that the value of standardized coefficient is 0.578 with p value less than .05. this concludes one-unit change in the independent variable i.e. On the job training will bring .578 units change in the dependent variable i.e. employees performance. Therefore, the relationship between the two variables is positive and significant. Hence, the study accepts the Hypothesis as under;

**H1: on-the-job training has a significant relationship with employees' performance.**

### Correlation Analysis

Correlation analysis consider whether or not there is a co-movement between two variables. The range for the correlation will always be between -1 to +1. Here in this study, the results shows that OJT has positive and significant relation with EP ( $r = .578$ ,  $P < .05$ ). This further concluded that both the variables goes in the same direction.

Table 7 Correlation Analysis

		On Job Training	EP
OJT	Pearson Correlation	1	.578**
	Sig. (2-tailed)		.000

	N	103	103
EP	Pearson Correlation	.578**	1
	Sig. (2-tailed)	.000	
	N	103	103
**. Correlation is significant at the 0.01 level (2-tailed).			

## Conclusion

The importance of training and development in the corporate world has been highlighted in the previous literature. Thus, it is essential to examine any issues related to training in any organization. The purpose of this study was to examine the effects of training on employee performance. The findings reported in this study suggest that training has an impact on the performance of employees with regards to their jobs. This observation is generally in line with literature. In fact, the company has a dedicated staff training program. It can quickly organize and monitor staff by the utilization of this agency.

Diverse questions are sent to the respondents and then discussed in order to achieve better comprehension of the organization's training procedure. The principal studies indicate that management success improves increases dramatically and impacts the productivity, quality and commitment of workers.

From the findings of the analysis majority of the respondents were above neutral with the content and delivery method of the organization in achieving the employees' job performance objectives. It can be concluded that the organization should improve the content of the training since training impacts employee performance partly through improving employee skills which enables them know and perform their jobs better (Dabale, 2014; Nan, 2014; Nassazi, 2013).

The study also revealed that management does not use trainees' feedback to improve and provide effective training. This helps the organization to develop and evaluate the effects of its existing and prospective training programs. In view of this research, organisations may aim to get (feedback) statistics on the impacts of the training curriculum and to determine the effectiveness of the instruction. (Ugbomhe, 2016).

Finally, it is concluded that preparation is of considerable value to the company and as a result the curriculum will be consistently and frequently reviewed during the process. The organization must be correctly prepared to implement appropriate and successful training goals and targets for the training system and to quantify it by evaluating skills learned from their preparation to their success at work. The performance assessment must be done in this situation properly and carefully. Specify management criteria for teaching input from trainees.

## Recommendations

In addition to established problems and strategies of enhancing training in this field, the following recommendations are presented on the basis of the results and conclusions:

The purpose and the training requirements should be specifically defined and the approach or form of training should be selected depending on the needs and goals set. Encouraging and motivating employees through awards, recognition and prizes after proper evaluation of performance is done. During the exercise, the company must provide input. This will help the company to strengthen and evaluate its effects on existing and future training programs.

The organization should allow enough time for the training programs in order to utilize different training opportunities on time so that trainer will have sufficient time to equip the trainees with the required knowledge and skills. Besides, it can reduce as well as avoid program mismatch that happened in the

organization and ultimately will have quality training. Hence, the industry should see learning, as well as training objectives, plan, implementation and evaluation as a continuous process for organizational development and survivals.

The agency and the company will also include the other advice for staff to take part in executive preparation and development. This will allow the employer to better recognize the need and desire of workers for training, and to make them aware of the kinds of training that they seek.

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