

On-The-Job Training and Organizational Performance: A Study on Sri Lankan Banking Sector

Thisuri Jayathilake

ABSTRACT: *Out of the many training methods used, on-the-job training has gained popularity as it has been used in the Sri Lankan banking sector quite excessively. The study examined the impact of the organization's on-the-job training program on organizational performance. Attributes of on-the-job training includes, personality of employees, attitude towards job performance, job performance and adherence to company policies were analyzed in this study. A quantitative methodology was used for the purpose of this study where it identified executive level employees in the banking sector in Sri Lanka as the target population. A structured questionnaire was designed, pre-tested, and used to collect data from a sample of 150 executive level employees. The findings revealed that there is a positive link between on-the-job training performances on organization performance. The study recommends practitioners to conduct a detailed personality assessment prior to on-the-job training allocation as personality, their attitude towards job performance, their adherence to company policies and their job performance has an impact on the final organizational performance.*

KEYWORDS: *Job performance, Personality, On-the-job training, Organisational Performance*

I. Introduction

Training and development has become the most important factor in the business world today, as training increases the efficiency and effectiveness of both people and the organization (Ismael et al., 2021). Training is the process of changing person's behaviour, attitude, and skills via education, instruction, and practice. Therefore, this is intended to change or improve employee behaviour in the workplace in order to increase efficiency of the organisation.

The banking industry in Sri Lanka is a highly competitive and changeable industry and companies cannot stay in the industry without well-trained employees. There are a number of innovative services that can be introduced to the market and the organization should have skilled employees to provide those services and there should be proper training programs for that. Furthermore, it is essential that banks train employees to attract and retain customers to their institutions in order to increase their revenue. One of the most common training methods adopted is on-the-job training (OJT). According to Armstrong (2014) OJT is training that is received by and employee while performance task relevant to the particular job. This done to improve the employee performance as well as organization performance.

The training program should be valuable to the organization; there should be a return on investment (ROI). This is one of the most important factors to consider when developing a training program. Job-specific training provides extensive knowledge in a reduced time format, which can avoid or shorten costly and time-consuming on-the-job training. So, this study focuses on understanding the impact of OJT performance as a training and development method of the organization and how those factors has an effect to the organization to perform in the banking industry.

Conducting training and development programs in an organization is not the solution to developing their employees to achieve organizational goals. Some companies, especially banks, run training and development (T&D) programs due to the behaviour of their competitors. This is not an effective and efficient way for an organization to gain a competitive advantage. OJT is the best way to improve employee skills (Bafaneli & Setibi, 2015). OJT training helps employees learn their practices while performing their duties. OJT training was very useful for employees and the organization as it reduced training costs and saved both employee and employer time (Flynn et al., 1995). However, it is important to understand the OJT training performance impact organization performance of banking in Sri Lanka.

Many studies have been conducted on the organization performance. But when it comes to training and development, very little research has been done on how OJT training impacts organizational performance. Therefore, the purpose of this study is to understand the how OJT training impacts organizational performance of the banking sector in Sri Lanka. The research question of the study included:

i. How does on-the-job training performance impact the effectiveness of organizational performance?

1.1 General objective

The main objective of this study is to examine the impact of on-the-job training performance and effectiveness on organizational performance.

1.1 Specific objectives

- 1.1.1. To determine the impact of personality characteristics on organizational performance.
- 1.1.2. To determine the impact of attitude towards the Job on organizational performance.
- 1.1.3. To determine the impact of job performance on organizational performance.
- 1.1.4. To determine the impact of adherence to company policies on organizational performance.

II. Literature Review and Hypothesis Development

The way a person responds to their environment as a person—through perception, thought, perceiving, attitude, or behavior that helps to recognize one person from another can be defined as personal characteristics. A person's characteristics according to Ozer and Benet (2006) is the most accurate predictor of job performance. This is so that the success of the organization can be attributed to how successfully employees solve problems, perform at work, and finish tasks.

Performance and career decisions have been linked to employee's personal characteristics (Hough & Furnham, 2003). Employee behavior or activities will help the organization achieve its objectives. The acts or conduct of the workforce will assist the organization in achieving its goals. Hence, the following hypothesis for this study developed:

H1- There is a significant impact of personal characteristics on organizational performance.

Everyone's attitudes serve as a guidance for particular choices or actions. Attitudes are described as favorable or unfavorable, a reaction to the appreciation of a subject or person (Robbins et al., 2014), often based on beliefs, but expressed in emotions and behavioral intentions (Eagly and Chaiken, 2005). A positive attitude towards change is important for an organization to function properly in order to achieve its goals (Eby et al., 2000). Employee attitudes can be influenced by a variety of social, economic, political, religious and cultural factors. Employees of an organization act on the basis of social conditions and the decision makers of the organization. It is advisable to pay attention to your preferences, as strong attitudes can affect a person's behavior. Attitude is a state of positive or negative emotional or mental readiness that is learned and organized through experience and has a specific effect on a worker's reaction to colleagues, things, and situations (Fishbein and Ajzen (1974)). This implies that an employee's conduct and emotions to objects, situations, and people at work are a reflection of how he or she feels within, which might be positive or negative. This reaction will have an impact on the achievement of organizational goals and objectives at the end. Therefore, the hypothesis of study is developed as follows,

H2- There is a significant impact of attitude on organizational performance.

Job performance assesses whether a person is doing his job well. Job performance as Ozer and Benet (2006) state that personality as the effective tool that predicts job performance. This is often since, the way how individuals solve the issues, how well individuals perform within the working environment and total the

assignment will contribute to the organization accomplishment. Job performance is a critical aspect in ensuring that the organization's mission is linked to the work of its employees. As this will effect on reasonable job performance leading to organizational performance. Accordingly, the hypothesis of this study is developed as follows,

H3- There is a significant impact of job performance on organizational performance.

According to Tyler (2005) employee policy adherence is one in which the motivation to follow organizational rules resides in the employees themselves and not in extrinsic incentives or sanctions stipulated by the organization. According to such a model, employees can be intrinsically motivated to follow organizational rules-that is, they will do so out of their own desires and not in response to the regulations put in place by the organization to provide sanctions for employee behavior and/or incentives for desired employee behavior. It is an important and effective instrument for any company policy to have an impact throughout the firm. One of the primary goals of policies is that if employees adhere to these company policies they have a chance of achieving organizational success as a whole (Armstrong, 2014). Accordingly, the hypothesis of this study is developed as follows,

H4- There is a significant impact of adherence to company policy on organizational performance.

Hence, the following conceptual framework is developed.

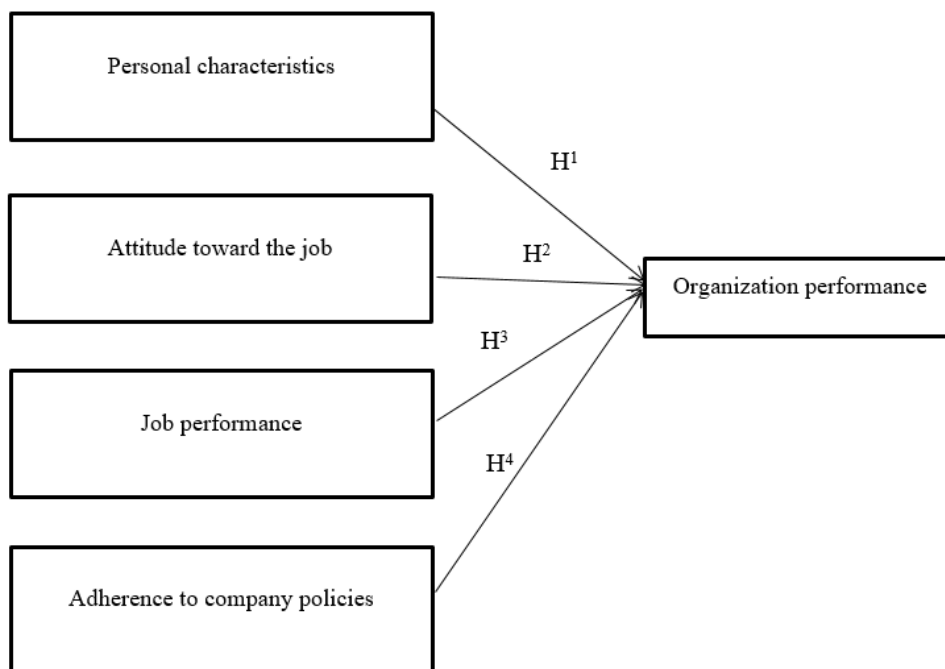


Figure 1: Conceptual Framework

III. Methodology

The study adopted a cross-sectional survey in its investigation of the variables. Primary data was generated through structured questionnaire. The population of this study is executive level employees from banking sector in Sri Lanka. The sample size is 150 which was selected through convenience sampling technique. After gathering the data, it was analyzed by using the computer based statistical data analysis package, SPSS version 24.0.

IV. Data Analysis

The frequency table for the descriptive statistics is shown in Table 1. The mean value of the organizational performance and personal characteristics, attitude towards job, job performance and adherence to company policy has resulted as 4.3474, 5.233, 4.1093, and 4.2444 respectively. It can be seen that all the mean value results are above 3 and it indicates that there is a higher association among the items within the variable. The standard error of the two variables and the three dimensions have resulted as less than 0.05 and also the standard deviation of the variables have resulted between -3 and +3 which states that the variables have resulted as a perfect value.

Table 1: Descriptive Statistics

	Mean Value	Std. Error	Std. Deviation
Organisational Performance	4.3474	0.198	0.69087
Personal characteristic	5.2333	0.198	0.86732
Attitude towards the job	4.1093	0.198	0.69266
Job performance	4.0100	0.198	0.72307
Adherence to company policy	4.2444	0.198	0.70649

Source: Research Data Output

Table 2: Correlation

Variables= dependant	Variable=-independent Organization performance	Sig value (1 tailed)
Personal characteristic	0.822	0.000
Attitude towards the job	0.758	0.000
Job performance	0.505	0.002
Adherence to company policy	0.703	0.000

Source: Research Data Output

When evaluating the correlation values it can be seen positive relationship between independent variables and dependent variable. Organizational performance has positive relationship with personal characteristics, attitude towards job, job performance and adherence to company policy.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.766 ^a	.586	.583	.44593

Source: Research Data Output

According to Table 3, 4.12 display the value R= 0.766 and the coefficient of determination (R .Square) amount to 0.586. Whereas the standard error of the variable is also showing a less value than 0.5

Table 4: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.919	.198		4.652	.000
	Organisational Performance	.655	.037	.822	17.585	.000
	Personal characteristic	.756	.053	.758	14.131	.000
	Attitude towards the job	.483	.068	.505	7.118	.000
	Job performance	.687	.057	.703	12.019	.000

According to Table 4 there is 0.919 organizational performance when other factors remain constant. So the sig value of personal characteristics, attitude towards the job, job performance, adherence to the organization policy is 0.000. Sig value is equal to P value because this is a one tailed test. At the 95% confidence level. Sig value is less than 0.005. The study has therefore identified that there is relationship between personal characteristics and organization performance, attitude towards the job, job performance, and adherence to the organization policy. So when personal characteristics increase by 1, organizational performance will increase by 0.655, when , attitude towards the job increase by 1, organizational performance will increase by 0.756, job performance increase by 1, organizational performance will increase by 0.483 finally, attitude towards job increase by 1, organizational performance will increase by 0.687.

Based on the aforementioned analysis, it can be conclude as Table 5.

Table 5: Hypothesis Testing

Independent variable	Dependent variable	Hypothesis	Accept/ Reject
Personal characteristics	Organization performance	H1- There is a significant impact of personal characteristics on organization performance.	Accept
Attitude of the job	Organization performance	H2-There is a significant impact of Attitude on organization performance.	Accept
Job performance	Organization performance	H3- There is a significant impact of job performance on organization performance	Accept
Adherence to company policy	Organization performance	H4- There is a significant impact of adherence to company policy on organization performance.	Accept

Source: Author Generated

V. Discussion

The first objective was to determine the impact of employees' personality on organizational performance. The findings revealed that there is a positive impact between personal characteristics on organizational performance. This is consistent with study of Ozer and Benet (2006) as it states personal characteristics is the most accurate predictor of job performance that leads to organizational performance. Hence, it can be concluded that there is a significant impact personal characteristics on organizational performance.

The second objective was to determine the impact of attitude towards the job on organizational performance. The findings revealed that there is a positive impact between an employee's attitude towards the job on organizational performance. This is further consistent with the study of Eby et al. (2000) that say it is critical that employees have favorable attitudes toward change in order for a firm to accomplish its objectives and function efficiently. Strong attitudes are likely to influence a person's behavior, thus it is wise to be aware of them. Hence, the study can say that there is an impact between attitudes towards the job on organizational performance.

Third objective is to determine the impact of job performance on organizational performance. The findings revealed that there is a positive impact between an employee's job performance on organizational performance. Fourth objective is to determine the impact of adherence company policy on organizational performance. The findings revealed that there is a positive impact between adherence company policies on organizational performance. This is consistent with the study of Tyler (2005) as people support organizational norms without being compelled to do so by rewards or sanctions imposed by the corporation. Hence, the study can say that there is an impact between adherences to company policy on organizational performance.

VI. Conclusion and Recommendation

Conclusively, it can stated that there is a positive impact on on-the-job training on organisation performance as attributes of on-the-job training; personal characteristic, attitude towards job performance, job performance and adherence to company policies all revealed a positive impact on organisational performance. It can also be recommended to practitioners that it is necessary for all employees to be oriented and made aware of what on-the-job training and its importance is, and when and why they are part of it. Moreover, it is important for banks to structure on-the-job-training so that all employees will be able to directly apply it for organisational performance. Further, training policy should be availed to employees so that they know and understand what is expected of them at all times leading to improved organisational performance.

REFERENCES

- [1] Ismael, N. B., Othman, B. J., Gardi, B., Hamza, P. A., Sorguli, S., Aziz, H. M., Ahmed, S. A., Sabir, B. Y., Ali, B. J., Anwar, G. (2021). The role of training and development on organizational effectiveness. *International Journal of Engineering, Business and Management*, 5(3), 15–24.0
- [2] Armstrong, M. (2006). *A handbook of human resource management practice* (London, Kogan Page Publishing).
- [3] Bafaneli, S. & Setibi, G. (2015). The impact of on-the-job training on employee performance: The case of Riley's hotel. *Journal of Business Theory and Practice*, .3(2), 239-251.

- [4] Flynn, B. B., Schroeder, R. G., & Sakakilbara, S. (1995). The impact of quality management practices on performance and competitive advantage. *Decision Sciences*, 26(5).
- [5] Ozer, D. & Benet, V. (2006). Personality and the prediction of consequential outcomes. *Annual Review of Psychology*, 57(1), 401-21.
- [6] Hough, L. & Furnham, A. (2003). Personality and the prediction of consequential outcomes. *Handbook of Psychology*.
- [7] Robbins, S.P. & Judge, T.A. (2013) *Organisational Behavior* (Boston, Pearson).
- [8] Eagly, A, H; Chaiken, S. (2005). *Attitude research in the 21st century: The current state of knowledge* (New Jersey, Erlbaum).
- [9] Eby, L. T., Adams, D. M., Russell, J. E., & Gaby, S. H. (2000). Perceptions of organizational readiness: Factors related to employees' reactions to the implementation of team-based selling. *Human Relations*, 53, 419-442.
- [10] Fishbein, M. A. (1974). Attitudes towards objects as predictors of single and multiple behavioral criteria. *Psychological Review*, 81, 59-74.
- [11] Tyler, T. R. (2005). Promoting employee policy adherence and rule following in work settings: The value of self-regulatory approaches. *Brooklyn Law Review*, 70. 1287-1312.