

Training, Competence and Job Performance: An Empirical Evidence

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Abstract: This study seeks to report the results of an empirical investigation on the mediating effect of competence between training practices and employee job performance. The study presents the result of a survey on 277 employees employed at the Palestinian National Authority ministries. The survey examined the effect of training practices on employee's competence component of hard and soft skills. The study also examined the effect of hard and soft skills on performance. The survey results indicated both hard and soft skills have a mediation role between training practice and job performance. Additionally, training practices have a significant effect on hard and soft skills. The theoretical contribution of this study is to discover the value of these two dimensions of competence conceptualized as hard and soft skills between organizational training practice and employee job performance. It further stresses the importance of competence in addressing the relationship between organizational practice and employee's outcome and consequently add value to the HRM literature.

Key words: Training, competence, job performance, outcome, significant

INTRODUCTION

Competence has been empirically proven to be the outcome of any HRM practices. Highly competent employees are critical for organizations as they contribute towards the organization's competitive advantage (Sanghi, 2003), furthermore, competent employees play a major role for overall organizational success. Training and development has been identified as the most crucial component of HRM practices to develop and sustain employees competence (Girard and Fallery, 2009). Training is important as it serves as a platform to provide skills enhancement deemed necessary by the organization that must be acquired by the employees and later, to be utilized by the organization to achieve its objectives (Sahinidis and Bouris, 2008). Thus, competency flows from training provided by the organizations and it becomes a necessity as it can influence employees job performance (Whetten, 2015). Likewise, this has resulted in competence being recognized as a predictor of job performance (Quist, 2010). Furthermore, as organizations experience growth and innovate in response to the rapid transformation in their business environment, they need to develop knowledge, skills and abilities of their workforce. Hence, training and development must be integrated as a part of the organizational structure in order to accomplish individual and organizational objectives (Armstrong, 2003).

Accordingly, the focus of the current study is to draw attention to the current low level of employees'

performance reported within the Palestinian National Authority (PNA) agencies. Early assessment mentioned in the internal reports prepared by both internal agencies (the Palestinian State Audit and Administrative Control Bureau) and international organizations (World Bank) have reported poor performance outcomes among the employees of the PNA agencies (PCDCR, 2008). Similarly, these reports confirmed the result of empirical studies on employees' performance in PNA as being weak. PNA employees failed to provide proper services for the general public which has led to a decline in the quality of public service delivery. If these low level performances is allowed to continue it will impact on the quality of service delivery to the public and indirectly will tarnish the reputation of these relevant agencies. Consequently, the low level of PNA organization performance and inefficiency resulting from the ineffective job performance is also bringing these organizations down in performance rating scale. The Centre for Global Development in 2011 ranked the Palestinian organizations performance at 100 out of 133 as an overall ranking of performance and efficiency levels. This ranking is alarming for PNA organizations as Centre for Global Development was judged as the ideal rating organization for public service assessment internationally. Therefore, the purpose of the study is to investigate how PNA employees perceive training to impact on their competence and job performance.

Literature review: Training is defined as "the systematic practice of attempting to develop competencies such as

knowledge, skills and attitudes for current or future jobs” (Backeberg, 2001). It is a process intended to enhance skills, attitudes and behaviours through a systematic learning process (Sorin, 2011). Therefore, training is an integral part of as it ensures employees know what to do and how to do it. Literatures indicate that the common practice in most organizations, after the hiring process is completed, the newly hired employees are required to undergo training program (Scholarios *et al.*, 2003). Training practice differs between organizations as it is based on the organizational structure and job description of each individual as well as the job requirements of the employees which can determine the types of training practices provided (Black and Lynch, 1996). Training needs may arise from three different levels, namely, at the strategic level; at the tactical level and at the operational level. Training and development is utilized to resolve issues related to employees’ performance, improvement of work process or implementation of organizational strategy (Hall and Torrington, 1998).

Competence is defined to indicate the level of job knowledge, skills and attitudes of an employee (Tao *et al.*, 2006). It is also defined as a group of related job knowledge, attitudes and skills (Winterton *et al.*, 2006). Competence was recognised as the outcome of KSA (knowledge, skills and attitudes) (Hunt and Meech, 1991). Thus, for the purpose of the current study hard skills are linked to technical knowledge (Villiers, 2010; Boyatzis, 2008; Rainsbury *et al.*, 2002) while, soft skills refers to the people skills utilized in the daily work environment (Spencer and Spencer, 1993). Previous studies by Jayan (2006), Zampetakis and Moustakis (2010), Horton (2009) and clearly established competence as a critical element in determining the level of job performance in the public sector. As organizations experience growth and innovate in response to the rapid transformation in their business environment, they need to develop knowledge, skills and abilities of their workforce. Hence, training and development must be integrated as part of the organizational structure in order to accomplish individual and organizational objectives.

According to Truitt (2011) the rift existing between the actual skills of employees and the skills required to perform certain tasks may lead to job dissatisfaction. Ultimately, insufficient skills for job performance will disadvantage the organizations against their competitors. Rowden and Ahmad (2000) point out that highly trained employees are better equipped in achieving customer satisfaction and task accomplishment as employees. Yng Ling (2003) differentiated job performance which is related to the proficiency and skills in job-specific tasks. Since, it has been empirically proven that employees’ performance is critically dependent on the organizations’ training

practices (Huselid, 1995; Guest, 2002) and employees’ competence (Jones, 1993; Jayan, 2006). Thus, the current study undertakes to investigate the role of competence as a mediator between training practices and job performance. Previous studies support the positive relationship between training practices and employee competence. Park *et al.* (2003) clarified that training and development has a significant impact on employee’s competence. Zingheim and Schuster (2009) established that the most common method for attaining employee’s competence is through training and development. Wright and Snell (1991) stated that organizations acquire employees’ competence as an outcome of training practices provided to the employees.

In relation to competence, training objectives also encompass the development of professional skills (Dumas and Hanchane, 2010). As Fey *et al.* (2000) demonstrated that training practices positively affect both hard (work related ability) and soft skills (motivation). Furthermore, Guest (1999) and Marescaux *et al.* (2012) support the positive relation between training practices and employees’ soft competencies (satisfaction and motivation). Additionally, Katou (2008) established the positive relationship between training practices and employee competencies hard (job related skills) and soft competencies (attitudes). Previous studies support the positive relationship between competence and job performance. In this regard, Jones confirmed that the employee’s ability and attitude (hard and soft) determine the performance level. Williams and Anderson (1991) suggested that soft skills (satisfaction and Commitment) should increase job performance. Miyashita suggested that soft skills (experience) predict job performance. Quist (2010) considered that the predictors of performance are beyond identifying relevant (hard skills) technical knowledge, skills and abilities.

Hypotheses development: Based on the above literature, these hypotheses are generated:

- H₁: training practice is significantly related with employees’ hard skills
- H₂: training practice is significantly related with employees’ soft skills
- H₃: the employees’ hard skills are significantly related to job performance
- H₄: the employees’ soft skills are significantly related to job performance
- H₅: the employees’ hard skills mediate the relationship between training practices and employee job performance
- H₆: the employees’ soft skills mediate the relationship between training practices and employee job performance

MATERIALS AND METHODS

The study utilized proportionate stratified sampling. The advantage of stratified sampling is the sample is more evenly distributed (Arvo, 1995; Thomas and Lewis, 1995). Data was collected from two groups of respondents assigned to the Human Resource Departments of the respective agencies. The first group consists of individuals categorized as subordinates in the HR departments and the second group consists of the subordinates' immediate supervisors. In other words, this study employs a dyadic approach. According to the main body of information gathered from the Palestinian General Personnel Council records, the number of employees in the HR department totals 1784 employees within the PNA ministries. Importantly, the number of respondents is limited by the total number of supervisors, totaling 399 supervisors within HR departments in the agencies. Accordingly, a total of 399 matched supervisor-subordinates pair questionnaires were distributed in proportion to the number of HR employees in the respective organizations. The second group was selected systematically taking into account a number of the supervisors in these departments (399 supervisors) because it should be matched with one subordinate (selected systematically) in each HRM department. With regard to this, with the assistance from the General Manager of the HR department of each agency, all subordinates' names were listed alphabetically based on their family name and then the names were arranged in the median order and selection was made. The employees were surveyed on their individual perceptions with regard to training practices (Kehoe and Wright, 2013) and competence (Cowin *et al.*, 2008) while the supervisors responded to their individual perception with regard to their subordinates' performance. Training practices was measured through 6 five-point Likert-scale items designed to assess organizational training practices. The training scale was adopted from Marwat *et al.* (2006). A 17 five point scale of hard and soft skills was adopted from Lam *et al.* (2002). A 7 five-point Likert scale job performance measurement was adopted from Williams and Anderson (1991).

RESULTS AND DISCUSSION

SPSS Software Version 21 was used to analyze the direct and mediating relationship within the research framework. Table 1 indicated the mean for training practices (M = 3.40; SD = 0.86), hard skills (M = 3.83; SD = 0.61), softskills (M = 3.54; SD = 0.60) and job

performance (M = 3.73; SD = 0.66). Table 1 proved that within PNA organizations the level of training practices, hard skills, soft skills and job performance are perceived to be above average. The regression performed to analyse the relationship between training practices and job performance revealed that $R^2 = 0.127$, F change 16.556 ($p < 0.001$), training $\beta = 0.127$ ($p < 0.05$). The regression analysis result indicated that the first hypothesis was supported. The second run of regression to analyse the relationship between both hard and soft skills and job performance indicated that $R^2 = 0.162$, F change 26.540 ($p < 0.001$). Hard skills $\beta = 0.275$ ($p < 0.001$), soft skills $\beta = 0.229$ ($p < 0.001$). The regression analysis result reveal these two hypothesis was supported (Table 2 and 3).

The regression analysis the relationship between training practices and hard skills reveal that $R^2 = 0.080$, F change 5.874 ($p < 0.001$), training $\beta = 0.169$ ($p < 0.01$). This result revealed that the hypothesis regarding training practices is significantly related with employees' hard skills is supported. The regression analysis between training practices and soft skills reveal that $R^2 = 0.186$, F change 15.589 ($p < 0.001$), training $\beta = 0.133$ ($p < 0.05$). This result indicated that training practice is significantly related with employees' soft skills, therefore the hypothesis was supported.

Table 4 revealed that the beta value had a decreasing effect with the inclusion of hard skills ($\beta = 0.149$, $\rho = 0.010 < 0.05$), thus implying mediation effect. The result

Table 1: Descriptive of the study variables

Variables	Mean	SD
Training practices	3.40	0.86
Hard skills	3.83	0.61
Soft skills	3.54	0.60
Job performance	3.73	0.66

Table 2: The regression analysis for job performance

IV's	DV (job performance)		
	β	ρ	t-values
Training	0.127*	0.024	2.264
Hard Skills	0.275**	0.000	4.794
Soft Skills	0.229**	0.000	3.986

Table 3: The regression analysis for hard and soft skills

IV	β	ρ	t-values
Training			
Hard skills	0.169**	0.005	2.826
Softs kills	0.133*	0.019	2.364

Table 4: The mediation effect of hard and soft skills between training and job performance

DV	β
Training	
Without hard skills	0.213**
With hard skills	0.149*
Without soft skills	0.169**
With soft skills	0.146*

proved the hypothesis that employee hard skills mediates the relationship between training practices and employee job performance was supported. The result also showed that the beta value had a decreasing effect with the inclusion of soft skills ($\beta = 0.146$, $p \leq 0.05$) thus implying mediation effect. The result showed the hypothesis that employee soft skills mediates the relationship between training practices and employee job performance was supported.

CONCLUSION

The research examined the mediation effect of both competence (hard and soft skills) between training and job performance. The results empirically proved the significance of competence as a mediator between training and job performance. The result highlighted that there is significant relationship between training and both hard and soft skills dimensions of competencies. The result also indicated that there is significant relationship between both hard and soft skills and job performance. The results of the study confirm that competence flows from training provided by the organisations and this in turn will affect job performance. The results suggest that for PNA to solve their performance related problem, the solution lies in providing extensive and structured training programs to their employees. The implementation of training programs should not be taken lightly, it should be well designed and fulfil the training needs of each individual.

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