Impact of Training on Employee's Performance and Productivity in Construction Industry

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Introduction

Construction is the world's largest and most challenging industry. Human resource today has a strategic role for productivity increase of any organization, and this makes it superior in the industrial competition, “Productivity is one of the most important factors that affect overall performance of any small or medium or large construction industry” (Gupta, 2012). Nowadays most construction companies realized the importance of training and its influence on productivity in the construction industry. The importance of training is in the productivity improvement and also reiterated that on the job training program that have brought about an increase in the productivity of construction.

There are many factors that influence construction employee and productivity, this study is focused in all factors which are important on changing productivity concerning the implementation of training. Those factors can be able to change some elements such as job satisfaction, absenteeism, improvement of performance, wage, change culture of company and etc.
“Improving productivity performance is a primary driver of the UK economic performance and long term sustainable competitiveness” (HM Treasury, 2006). According to Budget Report (2005) “the UK government has developed a strategy for improving productivity and profitability by training and manpower development, innovation and raising UK skills”. Black and Lynch (2001) used a series of data for 627 US establishments by analyzing this data they found a positive effect of training system on productivity for employees and their companies. The training has an important role in every company and industry such as construction industry to increase their profit and reduction of costs.

Large companies need to have training and manpower development on staff to make them experts. In an HR department led by a Vice President or Director, there might be a training manager, as well as training specialists. This manager collaborates with senior HR executives to determine the role that training plays in the strategic direction of HR and the overall organization. “Training specialists are the ones who conduct classroom training and in house workshops and focus groups” (Mayhew, 2010), all studies had emphasized to establish a training system in organization properly for increasing profit and product.

According to Suganya (2011), tips to improve productivity by training and manpower development includes: 1) making the employees know and properly understand the productivity evaluation methods; 2) providing incentives and appraisals to efficient workers; 3) enhancing discipline measures in the work place; 4) identifying the skills of each employees; 5) giving appropriate feedback to the
employees without discouraging them; 6) emphasizing on the positive points to develop productive work, and; 7) providing continuous training to the employees on multidimensional work.

The companies can improve and enhance employee's performance and productivity by providing training and development. Researches indicate that investments in training employees in problem solving, decision-making, teamwork, and interpersonal relations result in beneficial firm level outcomes. This study tried to find different aspects of training and development which had affected employee’s performance and company productivity in construction companies.

**Effect of Training, Gender, Absenteeism, Morale and Wage on Job Satisfaction**

Most of the literature in this area has focused on the impact of education and training on job satisfaction. Borcherding and Oglesby (1974) investigated the relationship between job satisfaction and construction productivity. Their influence on construction productivity were further determined using data collected through interviews and questionnaires to productivity by increasing employees' satisfaction likely to be affected by further training (Hee-Sung, 2006). Also, Melanie and Richard (2004) found that training can have an indirect effect on the organization performances and when the job satisfaction increases by efficient training so the company can meet increasing productivity and profitability.

Some researchers showed that there is a difference between training and job satisfaction focusing on gender. “The regressions show a gender difference in the relationship between training and job satisfaction” (Claudia, 2011). This gap is
normal because there is a difference between female and male about psychology and learning. Previous studies revealed that worker absenteeism and low productivity are influenced by the motivation and job satisfaction of workers. Absenteeism is the term generally used to refer to unscheduled employee absences from the workplace. Absenteeism can impose a number of costs on employer such as the lost output of the absent employee. A number of authors have considered the relationship between job satisfaction and absence. Bunch (2007) found that training effectiveness is “relative, but only to the extent that there is no single measure of training success such as productivity or job satisfaction” in the workplace. There are numerous qualitative and quantitative evaluation approaches useful in determining training effectiveness can reduce absenteeism in workplace. “Organizational commitment and job satisfaction is most influential predictor of employee intention to workplace” (Muhammad and Munir, 2013). A sample of 436 employees working in a large civil service departments was surveyed concerning absence behavior and “they found that the hypothesized interaction between job satisfaction and involvement was significant for both their indicators of absence behavior” (Melanie and Richard, 2004). So by increasing job satisfaction the construction companies can be able to reduce absenteeism behavior of employees. Then, companies are able to prevent delay in the implementation of their projects and increasing costumer's satisfaction and also, increasing profit in the companies.

According to most studies, successful training and education program would create more favorable employee attitudes and loyalty, and help employees in their personal development and advancement. For example, in a study that used 104
employees in five Malaysian public and private organizations that have implemented some training programs; the researcher found out that an organization that practiced some level of teamwork experienced an increase in employees’ organizational attitudes and loyalty and improvement of productivity” (Boon and Arumugam, 2006). Sozen and Giritli (1996) found that “inadequate training for qualified workforce plus poor communication and attitude greatly affect construction productivity”. It is clear that if the employees had job satisfaction, they would like to perform their duties as well as possible. That is why training is too much important because it can modify employees to acceptable level about morality. Training is also seen as “a planned process to modify attitude, knowledge or skill behavior through learning experience to achieve effective performance in an activity or range of activities” (Afshan, 2012). This was an effort to index morale based on employee satisfaction. The following factors were constructed to determine employee satisfaction (Nunnally, 2001):

1) Mean hours of sick leave taken;
2) Ratio of refusals to acceptances to volunteer for overtime with pay;
3) Number of grievances filed in a given period;
4) Composite scores of job satisfaction;
5) Mean performance evaluation scores.

Perceptions of training and its association with organizational commitment are widely researched. Studies described strong positive correlation between training perceptions and organizational commitment. “Organizational commitment and job satisfaction is most influential predictor of employee intention to leave”
Improvement of employee’s behavior can indirectly increase the amount of productivity in construction companies. There was a weight of evidence from the literature relating to the positive wage effects of training. A vast empirical literature has investigated the effects of training using wages as a proxy for productivity. GDP per hour worked can provide a general picture of a company's productivity, that industry training affects the wages of trainees, and the profitability of firms has a way of evaluating the effect on productivity. “We can infer that an industry training qualification is likely to increase earnings of an individual by between 5% and 20%” (Sharon and Steel, 2004). According to Sharon and Steel, training can affect employee and this effectiveness are able to increase productivity in the company. And this rotary system can continually work for enhancement of productivity in the workplace.

Training is a key element for improved performance because it can increase the level of individual and organizational competency. “It helps to reconcile the gap between what should happen and what is happening between desired targets or standards and actual levels of work performance” (Supangco, 2011). Also, training can be able to change some positive events that help to increase productivity and improvement of performance (Kay, 2007). “Management has to recognize the workforce needs for training and manpower development, through periodical performance appraisal, to avoid performance problems that could be attributed to poorly skilled and trained workforce” (Divina, 2007).
One of the effectiveness of training in the construction is the reduction of the time in projects and so the construction companies can be able to improve on productivity. “The project owners may be responsible for the time overrun when delays, suspensions or interruptions to all or part of the work are caused by an act or failure to act by the owner resulting from breaches of owner’s obligations, stated or implied in the contract” (Oko, 2011).

Training and the Change of Culture of the Company

Definitions of culture is varied but typically include concepts such as shared beliefs, values, and assumptions that are reflected in attitudes and behavior (Kay, 2007). The organization should always prompt the attitudes and behavior of its employees by enforcing training for them and managers of the organization and to put their employee’s in an acceptable level concerning attitude by the implementation of training that causes change the on culture of company. “The culture which results in improved labor productivity would include lessons learned and continuous improvement across projects” (Volkman, 2011).

There has been considerable interest in the relationship between organizational culture and variables such as productivity. “There is little recognition of the entrenched values, beliefs, and assumptions that prevent effective training” (Kay, 2007). The idea of integrated training and manpower development becomes relevant as it helps in promoting a spirit of teamwork as well as uplifting knowledge and skills leading to improved productivity. If the organization emphasizes more teamwork and commitment by changing the culture of organization so it may get
more productivity. Changing the culture can improve organizational commitment that is further divided into several dimensions (Muhammad and Munir, 2013).

“The concept of teams and teamwork is increasingly important to productivity and employees’ organizational commitment in the workplace” (Kay, 2007). So improvement of commitment can be a main factor to increase productivity in companies, and organization must improve it by training and giving knowledge and experiences to employees properly.

**Impact of Training and Development on Employees and Construction Companies in the Philippines**

Construction companies in the Philippines that are a part of ASEAN always try to obtain high level of productivity. “East Asian countries have been growing quite fast over the last decade, even spectacularly so, for the newly industrialized economies (NIEs), mostly driven by labor productivity” (World Bank, 2010). Training activities have remained the same since 2003 in the Philippines. Indicators such as percentage of payroll cost spent on training, and average training days for management, professional/technical employees, and manual employees have generally increased and then improvement of Productivity (Supangco, 2011). The experiences of the 120 large companies in the Philippines showed the importance of training and strategy to ensure that its people’s skills are updated (Divina, 2007). More importantly, “employers in the Philippines, whether in the private sector or in government, believe that an investment in education and training is the key to raising productivity in the workplace, and should lead to a
sustained increase in labor incomes” (TESDA). So most companies in the Philippines have properly used training methods like lecture, video, role plays, or simulations to enhance the creative, productivity, problem solving and people skills of the employees (Divina, 2007).

Other tasks of training are to improve behavior and employee's skills (technical skills) of employee to get more productivity and profit. Behavioral training are those that aim to enhance the social-emotional-psychological skills of the employees, while technical training are those training that aim to improve the conceptual and technical skills of the workforce and enable them to effectively and efficiently perform (Divina, 2007). By behavioral and technical training the employees and specially managers are able to improve their skills and their knowledge and they can understand which ways are useful to manage a company as a construction company. Also, they can be able to design, analyze, change method, how to work with team and what must be their attitude and behavior in an organization, after learning and getting knowledge concerning them.

References


