

## **IMPACT OF TRAINING ON THE PERFORMANCE OF WORKFORCE: A CASE OF PUNJAB TOURISM INDUSTRY**

**Dr Ramanpreet Kaur**

Assistant Professor, GJIMT, Mohali

[preetraman1010@gmail.com](mailto:preetraman1010@gmail.com)

ORCID iD- [0000-0002-8224-1101](https://orcid.org/0000-0002-8224-1101)

**Ms. Chandni Rani**

Assistant Professor, GJIMT, Mohali

[chandniarora0007@gmail.com](mailto:chandniarora0007@gmail.com)

**Dr. Manju Mittal**

[manju111178@gmail.com](mailto:manju111178@gmail.com)

Assistant Professor, GSSDGS Khalsa College, Patiala, India

**ABSTRACT.** Training is often a key to improved performance. It is the significant managerial function in any organization to instruct and impart knowledge to the workforce about the specified jobs they are involved in. The present study is based on public sector organization. The purpose of this research is to analyze the impact of training on the workforce performance of Punjab tourism industry. To measure the effect training on the performance of workforce in tourism industry, variance based structural equation modeling was applied using Smart PLS software. This study suggests signifies that training significantly affect the performance of workforce of Punjab tourism industry.

**KEYWORDS:** Tourism, Service Industry, Workforce, Training, Workforce Performance, Impact of Training.

**PAPER TYPE** – Research Paper

### **1. INTRODUCTION**

Training is significant in the tourism industry which is people oriented. The aim of training programs is consequently to enhance the business performance of organizations, thus the effectiveness of a training program can be conceptualized as training acquisition and transfer of training. Tourism industry has become one of the fastest growing industries in the recent years. Training in the tourism industry is always in need of improvement. Mozael (2015) opined that the performance of the workforce in an industry is decided by soft skills, personality, character, learning, specialized mindfulness, job clarity, reliability and sense of belongingness towards the organization, technical awareness, common trust, leadership traits, cooperation, responsibility, initiative and adaptation towards change. If training programs are appropriately conducted, it will improve workforce performance in an industry. It brings a whopping change in the workforce's aptitude and proficiency (Anitha and Kumar, 2016). The

quality of the human asset of an organization is vital for its prosperity. In this manner, each organization must try to improve the quality of its workforce. One way of achieving this goal is through training. The importance of training can only be appreciated with a clear and prompt understanding of its immediate impact on employee performance. An improvement in employee performance also leads to an improvement in the organization's performance. Aguinis and Kraiger (2009) and Mercedes et al. (2013) have agreed that organizations benefit from workforce training as a whole. These benefits include improved organizational performance in terms of profitability, effectiveness and productivity as well as direct and indirect training outcomes such as reduced costs, improved quality, quantity, employee turnover and organization's reputation. No empirical research has been conducted on the evaluation of training practices of Punjab Tourism yet. This lack of research, along with the attention given to the concept of training in the tourism industry, was the driving force for this study.

## **2. REVIEW OF LITERATURE**

It becomes necessary to evaluate the extent to which training programs have achieved the training goals. The impact of the training is directly related to workforce performance. A review of the impact of training is the tool that determines what needs to be done to improve workforce performance. The organizations that want to enhance their workforce performance should focus on training as it also motivates them to achieve higher performance levels. Riaz et al., (2013) manifested a positive relationship between training and the performance of the workforce. The ultimate results of training can be observed in terms of improvement in productivity, workforce retention and career progression etc. Participation in training helps the workforce to build up their career goals. Further by attending relevant training programs, helps the workforce to enhance their work-related skills as well as interpersonal skills. Khan (2012) revealed that various factors like training, motivation, technology, management behavior, working environment, where each factor contributes to overall employee performance. It was further concluded that training contributes greatly to workforce performance in comparison with other factors. The organization having good training plans for employees can enhance the performance of employees. Aguinis and Kraiger (2009) however added that training benefits range from individual to organizational level. To maximize the impacts of training; factors like training needs assessment and pre-training states of trainees, training design and delivery, training evaluation and transfer of training must be considered.

## **3. RESEARCH METHODOLOGY**

Existing review of literature regarding various aspects of tourism workforce' expectations and satisfaction about training was considered and accordingly statements were formed related to the expectations and satisfaction of workforce. Five-point Likert scale as used by Schmidt (2007), Costa (2006) and Holton (2000) was followed and modified to measure workforce expectations and satisfaction. The minimum required sample size of 117 was calculated using Taro Yamane's (1973) formula from the total population of 300. The primary data was collected through stratified random sampling technique from workforces who underwent training programs organised by DOT and PHTPB. The respondents from Punjab Tourism Industry included maximum workforces from the department of PHTPB and DOT

who were Tourist Officer, Senior Scale Stenographer, Steno Typist (Sr.), Tourist Guide, Office Assistant, Accounts Assistant, Community Development Officer, Architectural Draftsman, Visitor Service Associate, Assistant Manager IT, Environment Safeguard Specialist, Senior Assistant, Social Mobilizer, Steno Typist (Jr.) respectively. To measure the effect of career progression, improved productivity and workforce retention on the performance of workforce in tourism industry, variance based structural equation modeling was applied using Smart PLS software 2.0 version. In the model, the independent variables are career progression, improved productivity and workforce retention. The dependent variable is performance.

#### **4. DATA ANALYSIS AND FINDINGS**

##### **Exploratory Factor Analysis of Impact of Training on the Performance of the Workforce**

In order to study the impact of training on performance of workforce, exploratory factor analysis was used. An instrument was developed based on vast literature survey to measure the impact of training on workforce performance. The instrument had 16 statements measured on 5 point Likert scale ranging from strongly disagree to strongly agree. The respondents were asked to state their stage of agreement or disagreement with the statements that best express their response.

Initially 16 variables were used in the analysis, however, one variable showed the poor factor loadings (below 0.5); therefore, the variable was deleted and the model was re-estimated using 15 variables. Once the factors were extracted and named, these were confirmed using confirmatory factor model to validate the constructs.

Before the results were examined, the assumptions of factor analysis were tested and the results are as follows. The first assumption of the Exploratory Factor Analysis (EFA) is sampling sufficiency that was used to examine if the sample size was sufficiently large to run EFA. It was tested using Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) test and its results are shown in table 4.15. The KMO test value was 0.775 which is good (Field, 2009) signifying that the sample size was satisfactorily large to run factor analysis.

The second assumption of factor analysis was the correlation between the variables in the population. It was tested using Bartlett's test, which showed to be highly significant ( $p < .01$ , Chi-square=4367.660) indicating that there is a significant correlation among the variables in the population to proceed with factor analysis (Hair et al., 2010). Both the assumptions of factor analysis are thus successfully fulfilled.

Table 4.1 shows the communality of each variable in the analysis. The minimum desired level of communality is 0.5 for the reason that all factors loading below 0.5 are suppressed (Field, 2009) meaning that at least 50% of the variance in a variable has been retained in the factor analysis. Table 4.16 exhibits that the lowest communality was 0.621 which was high and the highest communality was 0.830.

Table 4.2 shows the Eigenvalues related with each factor before extraction, after extraction, and after rotation. Before extraction, the number of Eigenvalues was equal to the number of variable As shown in table 4.2, the first factor "Performance" with Eigenvalue of 3.438, explained 22.918% of the total variance in the data after the rotation. The second factor

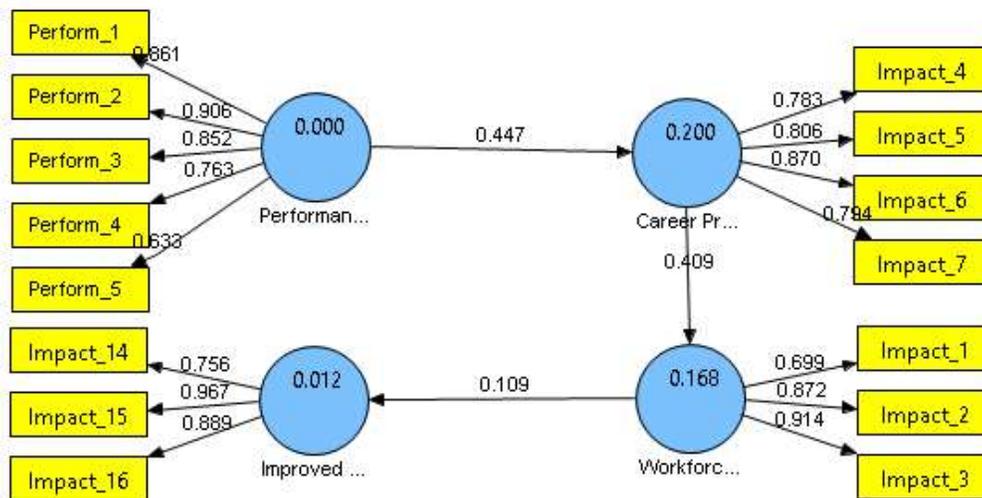
“Career Progression” with Eigenvalue of 2.863 explained 19.089% of variance in the data and the third factor “Improved productivity” with Eigenvalue of 2.454 explained 16.363% of variance in the data after the rotation. The fourth factor “Workforce retention” with Eigenvalue of 2.360, explained 15.730% of the total variance in the data after the rotation respectively (See table 4.2).

As a rule of thumb, the extracted factors should retain minimum 60% of the total variance in the data (Field, 2009). In the analysis, six factors explained 74.100% variance in the data.

The rotated component matrix describes the factors extracted alongside their corresponding variables and factor loadings shown in table 4.3. The first factor ‘Performance’ was measured using 5 variables and the factor loading ranged between 0.868 and 0.696. The second factor ‘Career Progression’ was measured using 4 variables and the factor loadings ranged between 0.838 and 0.705 respectively. The third factor ‘Improved productivity’ was measured using 3 variables and the loadings ranged between 0.882 and 0.826. The fourth factor ‘Workforce retention’ was measured using 3 variables and the factor loading ranged between 0.905 and 0.750 respectively (See table 4.3). As it can be seen that none of the factor loading is below 0.6 suggesting that the factor loadings are significant.

**CONFIRMATORY FACTOR ANALYSIS OF IMPACT OF TRAINING ON THE PERFORMANCE OF THE WORKFORCE**

In this section the reliability and validity of the factors has been examined using confirmatory factor analysis. After factor analysis, it was considered crucial to confirm the factors extracted through it. The measurement model as shown in figure 4.3, presents the relationship between 4 constructs of impact of training on performance of workforce. The factor loadings are also shown in the model.



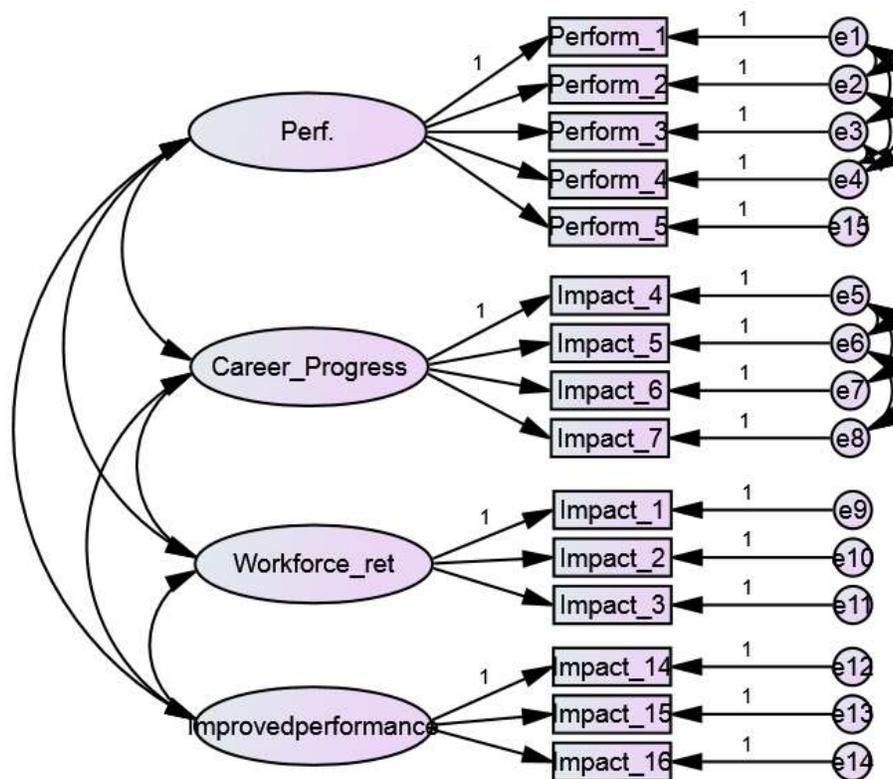
**FIGURE 4.1: MEASUREMENT MODEL OF IMPACT OF TRAINING ON PERFORMANCE OF WORKFORCE**

Table 4.4 shows the factor loadings of confirmatory model. These loadings are similar to the factor loadings shown in table 4.4. But Confirmatory Factor Analysis (CFA)

being a constrained model, therefore, there may be variations in the factor loadings. But as it can be seen that majority of the factor loadings are above 0.7 suggesting that more than 50% of the variance in the observed variable has been explained by the underlying construct or factor. This is a sign of high level of convergent validity of the constructs (See table 4.4).

**RELIABILITY AND VALIDITY OF THE CONSTRUCTS OF IMPACT OF TRAINING ON THE PERFORMANCE OF THE WORKFORCE**

The reliability was tested using Cronbach’s alpha and Composite Reliability (CR). From the table 4.20, it can be seen that the reliability statistics Cronbach’s alpha ranged between 0.807 and 0.873. The alpha value above 0.7 is desirable and acceptable. All the Cronbach’s alpha values were above 0.7 suggestive of a very good level of internal consistency among the observed variables or measurements.



**Figure 4.2: Confirmatory Factor Analysis Model of Impact of Training on the Performance of the Workforce through AMOS**

Confirmatory factor analysis is again developed using Analysis of a Moment Structures (AMOS) used to measure the model fit as shown in Fig 4.2. The parsimonious fit index of the model is CMIN /df=2.8, which is under the approved parameter of 3.000 (Kline, 2011). The goodness of fit index (GFI) was 0.921; the comparative fit index (CFI) was 0.913 and the incremental fit index was (IFI) 0.916; All fit indices are over the suggested cut-off value of 0.900 (Hu and Bentler, 1999). The root mean square error of approximation (RMSEA) is meant to designate the extent of error in the model was 0.072, which was less than the suggested cut-off

value of 0.08 (Bentler, 1990; Bentler and Bonett, 1980). All values showed that the model is an adequate fit for the data.

The composite reliability (CR) is shown in table 4.20. The minimum recommended value of CR is 0.7. For all of the constructs the CR was above 0.80 suggesting a very high level of the construct reliability of all the constructs (See table 4.5).

Convergent validity is measured by the Average Variance Extracted (AVE) and Composite Reliability (CR). As shown in table 6.6, the AVE of all of the constructs is more than 0.6 and CR is more than 0.8 supporting a strong convergent validity.

**Discriminant validity** shows that two constructs which are not believed to be related are in actually, not related. Table 4.6 shows that the square roots of the AVE on the diagonal elements are greater than the bi-variate construct correlations on the off-diagonal elements. This indicates that the shared variance between the constructs is low and unique variance is high.

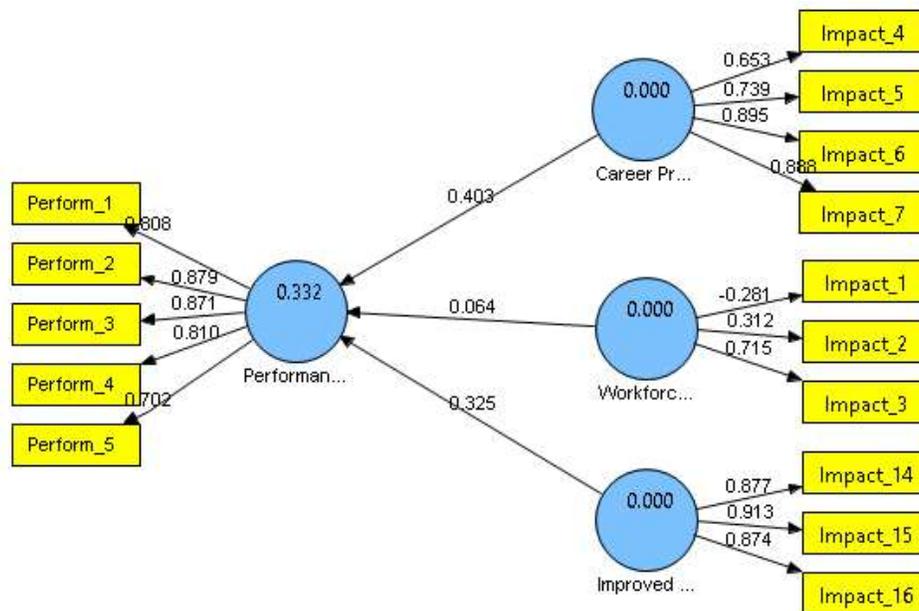
From these results, it may be concluded that the four factors formed through clubbing the impact of training on performance of workforce are reliable and valid. The measurements are correct in nature and are valid for further analysis.

#### **The effect of Career Progression, Improved Productivity and Workforce Retention (as an Impact of Training) on the Performance of Workforce**

To measure the effect of career progression, improved productivity and workforce retention on the performance of workforce in tourism industry, variance based structural equation modeling was applied using Smart PLS software 2.0 version. In the model, the independent variables are career progression, improved productivity and workforce retention. The dependent variable is performance. The SEM model is shown in figure 4.5. The analysis has been done by formulating hypothesis:

Null Hypothesis (H0): The impact of training (career progression, improved productivity and workforce retention) had no effect on the performance of workforce of tourism industry.

Alternate Hypothesis (H1): The impact of training (career progression, improved productivity and workforce retention) significantly affected the performance of workforce of tourism industry.



**Figure 4.3: The Effect of Career Progression, Improved Productivity and Workforce Retention on the Performance of Workforce**

Table 4.7 shows the regression results generated through SEM. The  $R^2=0.332$  is found to be mediocre, which suggests that 33.2% of variance in performance may be associated with the career progression, improved productivity and workforce retention. Career progression, improved productivity and workforce retention helps in improving the performance of workforce in tourism industry. The effect of career progression of workforce of tourism industry on performance is found to be highly significant ( $b=0.4029$ ,  $t=8.44$ ). Similarly, the effect of improved workforce of tourism industry on performance was also found to be highly significant ( $b=0.3249$ ,  $t=7.6003$ ). However, the effect of workforce retention of tourism industry on performance is insignificant ( $b=0.0638$ ,  $t=0.5946$ ).

From these results, it can be concluded that the career progression and improved productivity significantly affect the performance of workforce of tourism industry.

**Table 4.7: Effect of career progression, improved productivity and workforce retention on the performance of workforce tourism industry**

	Original Sample (b)	Sample Mean	Standard Deviation	Standard Error	T Statistics
Career Progression → Performance	0.4029	0.4194	0.0477	0.0477	8.4495
Improved productivity → Performance	0.3249	0.3254	0.0428	0.0428	7.6003

Workforce retention → Performance	0.0638	-0.048	0.1073	0.1073	0.5946
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The effect of career progression improved productivity and workforce retention on the performance of the workforce in the three states was measured through structural equation modeling. Further, to investigate the differences in the impact of training (career progression, improved productivity and workforce retention) on the performance of the workforce was measured through analysis of variance (ANOVA).

Career progression improved productivity and workforce retention (impact of training) helps in improving the performance of the workforce in the tourism industry. The effect of both career progression ( $b=0.4029$ ,  $t=8.44$ ) and improved workforce on performance was observed to be highly significant ( $b=0.3249$ ,  $t=7.6003$ ). However, the effect of workforce retention on performance is insignificant ( $b=0.0638$ ,  $t=0.5946$ ). From these results, it can be concluded that career progression and improved productivity significantly affect the performance of the workforce of the tourism industry.

## 5. Practical Implications

The main objective of every training session is to enhance the performance of the workforce. All types of industries, design training and development programs for their employees continuously. Elnaga and Imran (2013) focused mainly on the role of training in enhancing the performance of the employees. Training plays a vital role in the building of competencies of new as well as current employees to perform their job effectively. Effective training is considered to be a key factor for improved performance; as it can enhance the competency and skill level of employees. This supports filling the gap between the desired performance and the actual performance of employees. It can be achieved through proper training need analysis. Training needs refer to any deficiency in the performance of the employees, which can be overcome only through appropriate training. Thus to overcome deficiencies in employee performance on the job and training is considered to be one of the most important factors. Training develops skills, competency, and ability and ultimately improves the performance of employees and organizational productivity.

## 6. CONCLUSION

This study compared the workforce expectations and satisfaction from training program of in Punjab tourism Industry by studying the factors affecting the expectation and satisfaction level of workforce. The importance of these factors has been highlighted in the literature. This study revealed that no gaps exist between the workforce expectations and satisfaction from training programmes and there is no effect of demographic factors on training expectations and satisfaction of workforce. The results revealed that expectations of the workforce are fulfilled, resulting in satisfaction from the training which further influences the growth of the tourism industry. This research indicated that, still human resource practitioners in the Punjab tourism industry should aim at provide trainings in emerging tourism trends. This will not only upgrade

the skill graph of workforce but also the productivity graph of the department because of the unique reason that trained workforce is the key to success for any organisation.

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**TABLE 4.1: KMO AND BARLETT’S TEST OF SPHERICITY OF IMPACT OF TRAINING ON THE PERFORMANCE OF THE WORKFORCE MODEL**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.775
Bartlett's Test of Sphericity	Approx. Chi-Square	4367.660
	Df	105.00
	Sig.	0.000

- \*Df: Degree of freedom
- \*Sig.: The  $p$ -value corresponding to the given test.
- **TABLE 4.2: COMMUNALITIES OF VARIABLES OF IMPACT OF TRAINING ON THE PERFORMANCE OF THE WORKFORCE MODEL**

Variables		Initial	Extraction
<b>Impact 1</b>	Training has enhanced current knowledge and skills.	1.000	0.699
<b>Impact 2</b>	Knowledge and skills learnt are helpful in job role enhancement.	1.000	0.830
<b>Impact 3</b>	Training has helped to perform job in a better way.	1.000	0.705
<b>Impact 4</b>	Training program has improved interpersonal and human relations skills.	1.000	0.722
<b>Impact 5</b>	Training program has resulted in personal growth.	1.000	0.713
<b>Impact 6</b>	Training program has met occupational needs.	1.000	0.751
<b>Impact 7</b>	Training program has enhanced competency and knowledge	1.000	0.708
<b>Perform 1</b>	Training programs has helped in gaining self-confidence and sense of identity.	1.000	0.732
<b>Perform 2</b>	Training programs has helped in improving problem solving skills.	1.000	0.766
<b>Perform 3</b>	Training programs has solved specific problems faced during job.	1.000	0.784
<b>Perform 4</b>	Training programs has increased work commitment.	1.000	0.714
<b>Perform 5</b>	Training programs has helped in career progression.	1.000	0.621
<b>Impact 14</b>	Training programs has led to higher job satisfaction	1.000	0.753
<b>Impact 15</b>	Training programs has increased morale.	1.000	0.815
<b>Impact 16</b>	Training programs has improved promotional prospects.	1.000	0.802

- Data was analyzed through Extraction Method using Principal Component Analysis (PCA)

**TABLE 4.3: ROTATED COMPONENT MATRIX SHOWING THE FACTOR LOADINGS OF IMPACT OF THE TRAINING ON THE PERFORMANCE OF THE WORKFORCE MODEL**

Variables		Component			
		Performance	Career Progression	Improved productivity	Workforce retention
<b>Perform 10</b>	Training programs has solved specific problems faced during job.	0.868			
<b>Perform 9</b>	Training programs has helped in improving problem solving skills.	0.816			
<b>Perform 11</b>	Training programs has increased work commitment.	0.805			
<b>Perform 8</b>	Training has helped to perform job in a better way.	0.711			
<b>Perform 12</b>	Training programs has helped in career progression.	0.696			
<b>Impact 6</b>	Training program has met occupational needs.		0.838		
<b>Impact 5</b>	Training program has resulted in personal growth.		0.824		
<b>Impact 7</b>	Training program has enhanced competency and knowledge		0.709		
<b>Impact 4</b>	Training program has improved interpersonal and human relations skills.		0.705		
<b>Impact 16</b>	Training programs has improved promotion prospects.			0.882	
<b>Impact 15</b>	Training programs has increased morale.			0.876	
<b>Impact 14</b>	Training programs has led to higher job satisfaction			0.826	

Variables		Component			
		Performance	Career Progression	Improved productivity	Workforce retention
<b>Impact 2</b>	Knowledge and skills learned are helpful in job role enhancement.				0.905
<b>Impact 1</b>	Training has enhanced current knowledge and skills.				0.826
<b>Impact 3</b>	Training has helped to perform job in a better way.				0.750

3. Extraction Method: Principal Component Analysis.
4. Rotation Method: Varimax with Kaiser Normalizations.
5. a. Rotation converged in 7 iterations.

6. **TABLE 4.4: FACTOR LOADINGS OF MEASUREMENT MODEL OF IMPACT OF TRAINING ON THE PERFORMANCE OF THE WORKFORCE**

Variables	Career Progression	Performance	Improved productivity	Workforce retention
Perform 1		0.8614		
Perform 2		0.9064		
Perform 3		0.8523		
Perform 4		0.7628		
Perform 5		0.6335		
Impact 14			0.756	
Impact 15			0.9669	
Impact 16			0.8887	
Impact 1				0.6986
Impact 2				0.8722
Impact 3				0.9141
Impact 4	0.7831			

Impact 5	0.8058			
Impact 6	0.87			
Impact 7	0.7944			

**TABLE 4.5: RELIABILITY STATISTICS OF MEASUREMENT MODEL OF IMPACT OF TRAINING ON THE PERFORMANCE OF THE WORKFORCE**

Reliability of constructs	Average Variance Extracted	Composite Reliability	Cronbach's Alpha
Career Progression	0.6626	0.8869	0.8311
Improved Performance	0.6546	0.9033	0.8739
Improved productivity	0.7654	0.9065	0.8668
Workforce retention	0.6948	0.8709	0.8071

**TABLE 4.6: DISCRIMINANT VALIDITY OF CONSTRUCTS IMPACT OF TRAINING ON THE PERFORMANCE OF THE WORKFORCE**

Validity Statistics	Career Progression	Performance	Improved productivity	Workforce retention
Career Progression	<b>0.814</b>			
Performance	0.4474	<b>0.8091</b>		
Improved productivity	0.1728	0.3512	<b>0.8749</b>	
Workforce retention	0.4093	0.0524	0.1085	<b>0.8335</b>