

THE IMPACT ON-THE-JOB (OTJ) TRAINING TOWARDS EMPLOYEES
PERFORMANCE IN MANUFACTURING COMPANY AT SEREMBAN, NEGERI
SEMBILAN

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Report submitted in partial fulfilment of the requirement for the award of the
Degree of Bachelor of Project Management (Hons)

Faculty of Industrial Management
UNIVERSITI MALAYSIA PAHANG

DECEMBER 2015

SUPERVISORS'S DECLARATION

I hereby declare that I have checked this thesis and in my opinion, this thesis is adequate in terms of scope and quality of the award of the degree of Bachelor of Project Management (honour).

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STUDENT'S DECLARATION

I hereby declare that the work in this thesis is my own except for quotations and summaries which have been acknowledged. The thesis has not been accepted for any degree and is not concurrently submitted for award of another degree.

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ABSTRACT

The aim of this research is to study the impact of OJT (On-The-Job) Training towards employee performance. OJT is a set of independent variable and dependent variable is employee performance. 108 respondents from manufacturing company in Seremban, Negeri was complete the questionnaire. Cronbach's Alpha (reliability analysis), correlation analysis, regression analysis and descriptive statistics are using to analyze the data that has been collected. The objectives for this research are to study the significant impact of OTJ training to employee performance in manufacturing company. The second objective is to investigate the relationship between OTJ training with employee performance. This is between independent and dependent variables. Result shows that OJT give significant impact towards employee performance in term of their transfer of learning and 3methods (coaching, mentoring, job rotation) positively impact towards employee performance.

Keywords: OJT (On-the- Job Training), employee performance, manufacturing company

ABSTRAK

Tujuan kajian ini adalah untuk mengkaji kesan latihan sambil bekerja terhadap prestasi pekerja. OJT adalah satu set pembolehubah bebas dan pembolehubah bersandar ialah prestasi pekerja. 108 responden yang terdiri daripada syarikat pembuatan di Seremban, Negeri Sembilan telah menyiapkan soalan yang diberikan. Alpha Cronbach (analisis kebolehpercayaan), analisis korelasi, analisis regresi dan statistik deskriptif digunakan untuk menganalisis data yang telah dikumpul. Objektif kajian ini adalah untuk mengkaji kesan ketara latihan OTJ kepada prestasi pekerja dalam syarikat pembuatan. Objektif kedua adalah untuk mengkaji hubungan antara latihan OTJ dengan prestasi pekerja. Ini adalah antara pembolehubah bebas dan bersandar. Hasil kajian mendapati OJT memberi kesan terhadap prestasi pekerja dari segi pemindahan pembelajaran mereka dan telah memberi kesan positif antara OJT dan prestasi pekerja.

Kata kunci: OJT (latihan sambil bekerja), prestasi pekerja, syarikat perkilangan

CHAPTER 1

INTRODUCTION

1.0 INTRODUCTION

Employee is one of the factors that can contribute to the creation of wealth for the organization/company. It is important to give training for the new employee or existence employee to let them know and familiar about the new material, tool, technique that they need to use in carry out and complete their task and duties. In fact, OTJ training are be done in normal working environment and condition with having two way communication and direct instruction. Therefore OTJ training that are be implement in an efficient way to all level of department can give significant impact on employees performance. The present study has examined the relationship between OTJ training and employee performance. OTJ training gives impact to employee performance that can be shown on the result in performing the task and duties (Abd Jalil 2012).

This chapter provides an overview about On-the-job training (OTJ) that brings impact to the employee performance and increase organization productivity. This chapter consists of Background of Study, Problem Statement, Research Objective, Research Question, Scope, Significant of Study, Operational Definition, Expected Result and Theoretical Framework.

1.1 PROBLEM BACKGROUND

According to Wikipedia (2014) mention that manufacturing is the production of merchandise. It is done by formulation or chemical, biological processing and also the workforce or machines, tools for use or sale. This is like the human activity and combine with the machine to produce something valuable for example handicraft to high tech because the processes to produce something are changing to the new one and high technology. It is clearly apply in industrial production which raw materials are transformed into finished goods on a large scale and easier for the company to fulfil customer demand of product.

From that the company or the organization need to maintain the quality and the performance to maintain their goal are achieve and success. But, to maintain all that must have the continuous improvement in the organization and the person or the department who are responsible is Human Resources department (HRD). HRD is design training to their employee to ensure their skill and ability always polishes and can contribute to the production of product. Business dictionary define training as an organized activity aimed at imparting information and/or instructions to improve the recipient's performance or to help him or her attain a required level of knowledge or skill. Nadler (1970) also mention that the department that need to handle and preparing training that suitable to the employee is HRD department. Not only that, HRD also need to help the employee during the training to see it run smoothly in order to meet the organization goal to be success.

Many organizations also have applied on-the-job (OTJ) training in their organization/company to enhance the job performance of company because through a job performance also can contribute the successful organization. The meaning of job performance is whether a person performs their job well. That's why many company applied OTJ in their company because the root to be success and maintain organization performance is from their employee and to make employee perform well is by training. Bartel (2008) in her study also mentions about the productivity gain from the implementation of employee training that give significant impact to employee performance in manufacturing sector. In her study also found that increases labor

productivity growth between 1983 and 1986 after implementing training to employee compare to the 1983 that shows the slow productivity. The growth of employee performance brings the comparable business by 1986.

As a develop country, Malaysia need more capable workforce in many sector of production to ensure the stability of our economy. The demand of workforce is too high and it force Malaysia to hiring outside employee from others employee and the one of that factor is less number of capable worker in a certain area. From that Malaysia and many nongovernmental organisations (NGO) develop the comprehensive training program for future workforce and ensure we have skill workforce. In develop training program we have two methods that is on-site method and off-site method for employees and employer always use on-site method that is on-the-job training. On-the-job training also has many programs that are suitable applying in organization especially in manufacturing sector. The important element is choosing the right and the best method to develop training for employee to be it profitable for organization.

This research will address one specific aspect of human resources management which is training to see whether it is true by applying training to employee can give significant impact on employee performance. Nowadays not in Malaysia only practise training but it is worldwide because the benefit itself for organization. Too many type of training program have been develop for each sector to polish new skill and knowledge and organization are willing to spend more money for the training program because as even have knowledge without practical it not fully give the better performance for individual but whether training give positive impact on employee performance. A various manufacturing company in Seremban, Negeri Sembilan also applying training and be more specific is OTJ training for their company. There apply OTJ training because believe that OTJ training can give and improve employee performance and also towards to organization productivity.

1.2 PROBLEM STATEMENT

Employee helps the company by the range of activity. In manufacturing to produce a good and quality of product, one factors is company/organization need to