

# THE INFLUENCE OF SOCIAL NETWORKS IN FACILITATING TRAINING TRANSFER AND GOAL SETTING AMONGST SMALL BUSINESSWOMEN: A CONCEPTUAL FRAMEWORK

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## ABSTRACT

Knowledge and skills have become the most crucial resource capital which enables organizations to survive in the ever changing business environment. One of the common strategies for organizations to increase their performance and productivity is through training and the main role of human resource development is to fulfil the needs of the organizations by providing employees with up to date expertise, information, knowledge and skills. Since huge financial investments and enormous time are allocated for training, organizations hope that the training will lead to the desired work outcomes. However, this does not always happen. There is only a small percentage of training programs which had successfully shown lasting transferability to the workplace and this indicates that understanding and improving the training transfer process is still a major concern for training researchers and practitioners. As training transfer is influenced by several variables at different levels of analysis, this study attempts to investigate the relationship between training transfer determinants, the involvement of different stakeholders and training activities in the training process. Specifically, this study investigates the influence of training transfer determinants on goal setting

amongst small businesswomen. In addition, it will emphasize the roles of primary stakeholders in the social network at different times during the training process towards achieving training transfer. Therefore, the framework postulates social networks as a moderating variable in enhancing training transfer and goal setting amongst small businesswomen.

*Keywords: Training Transfer, Social Network, Human Resource Development, Learning Transfer System Inventory, Small Businesswomen.*

## INTRODUCTION

The development of entrepreneurship has become the main concern for the government especially since this sector has shown evidence in contributing to Malaysia's economic growth as well as employment (Tambunan, 2009). Tambunan states that lack of entrepreneurship, limited capital, skilled workers and technology are some of the contributing factors that affect entrepreneurship development in most of the Asian developing countries. In addition, while participation of women in the entrepreneurial field has also increased tremendously in Malaysia (Bakar, Ali,

Som, & Mukhtar, 2007), the number of women entrepreneurs is still considered small as they account for only 16% of the total SMEs. According to the Ninth Malaysia Plan (2006) Chapter 13: Women and Development, women accounted for 48% of the working age population of 15 to 64 years and they are largely involved in manufacturing, wholesale and retail as well as agricultural sectors. In Idris (2008), a study on Malaysian women entrepreneurs, statistics on the Malaysian working population by gender and employment status 2003 from the Department of Statistics 2004 were cited and consequently, women were divided into four categories of employment status: employer, employee, own account worker and unpaid family worker.

Nearly 9.6% of women were employed as unpaid family workers and 1.2% as employers. Hassan, Samsudin and Yusoff (2007) in their studies on the journey of female SMEs, reported that women become entrepreneurs because of pull factors such as financial independence, interest in business, business as a hobby and flexibility. Most of them experience some form of growth but claimed they do not get the latest information on the financial support, guidelines or guidance provided by the government and that they lack business related training (Bakar, et al., 2007). In order to increase the number of women entrepreneurs, the International Trade and Industry Ministry has set up programs to train women entrepreneurs to acquire necessary skills and knowledge in order to advance themselves in the global market (SMECorp Official Website, 2009b).

Even though the number of small and medium size enterprises has yielded nearly 99.2% of the total business establishment (Bank Negara Malaysia, 2008), its contribution to the GNP is only 32%. Inability to fulfil the international standard through cost, having quality and delivery services and focusing on local and micro levels (Department of Statistics

Malaysia, 2005) are some inhibiting factors that limit their participation in the global market which indirectly affect their contribution towards the GNP. Since entrepreneurship development has been anticipated as a major contributor towards fostering the development of the nation's economy along with assisting the country to revolutionize from a middle-income economy to a high-income economy, the government has come up with several support training programs and strategies to sustain this sector (SMECorp Official Website, 2009c). Programs such as flexible loan repayment, innovation awards and special allocations are examples of initiatives undertaken by the government to create a conducive investment environment in order to encourage small business enterprises to participate in small business opportunities (SMECorp Official Website, 2009a).

Nonetheless, efforts to provide effective training to create entrepreneurs who are able to transfer and apply the knowledge and skills gained from training to their businesses are still lacking. For example, the annual report of the Ministry of Entrepreneurs and Cooperative Development (2007), showed that RM369.3 million was spent to fund entrepreneurship culturing programs and RM243.46 million to fund programs in creating business opportunities but the number of new and existing entrepreneurs show only a slight increment (Department of Statistics Malaysia, 2005). In an interview with BERNAMA, Puan Kamariah Yeop Abdullah, the Director of INSKEN (National Institute of Entrepreneurs), stated that in order to produce 20,000 new entrepreneurs, the institute needs to train 80,000 course participants (Ariff, 2009). This highlights the fact that only 25% of the participants who attend training manage to open their own business. Hence, this shows that the same attention should be given to training so that the government's objective to advance the entrepreneurship sector in

facilitating economic growth will be achieved. While there are various reasons why some of the participants fail to start their own businesses, one of the main reasons is the training transfer process and many studies have proven that training transfer is the main concern in training (Aguinis & Kraiger, 2009; Arthur, Bennett, Edens, & Bells, 2003; Baharim & Gramerg, 2007).

Since the government is expected to see an increment of 37% among small and medium sized enterprises by 2010 (SMEECorp Official Website, 2009c) proper action needs to be taken to achieve this target and one way is through proper and effective training. One important issue that needs serious attention from government agencies is proper training evaluation because from the exploratory studies conducted, it is found that most of the training programs organized by government agencies only measure trainees' feelings and reactions. According to Kirkpatrick (1994) this kind of evaluation will only provide information on the training itself but does not measure training transfer, that is the ability of the trainees to generalize the knowledge or skills acquired to their businesses and being able to maintain them for a certain period of time (Baldwin & Ford, 1988). To ensure the effectiveness of the program, it is important for government agencies to be aware of the factors that contribute to training effectiveness so that money and time invested in training is worthwhile and will indirectly meet the government's target to utilize the entrepreneurship sector to boost the nation's economy and move the country from a middle-income economy to a high-income economy.

## **Objectives**

The objective of this article is to propose a framework for this study. This paper will provide a brief introduction on the development of entrepreneurship and issues related to entrepreneurial training programs organized by government agencies. Since the main concern of this paper is to focus on training transfer, several variables related to training transfer will be explained. Explanations will also be given on the importance of training evaluation and the training transfer model which has been chosen as a basis for this study. The training transfer determinants: training design and the work environment are selected as independent variables and social networks as the moderating variable is outlined in the framework. However, this article will also elaborate on the role of social networks in moderating the relationship between training transfer determinants and goal setting activities amongst small businesswomen.

## **LITERATURE REVIEW**

There are several models on training evaluation and effectiveness which emphasize training transfer and various studies in training transfer refer to these models. It is important to stress here that training evaluation and training effectiveness have been used interchangeably but in the training field, these two have different constructs (Alvarez, Salas, & Garofano, 2004). Training evaluation is a method used to measure learning outcomes and can only provide the micro view of the training whereas training effectiveness focuses on the learning system which affects the training and hence will provide an overall picture of the learning outcomes.

The most popular model in training evaluation was constructed by Kirkpatrick (1987) who emphasized four levels: reaction, learning, behavior and results. Level 1 of Kirkpatrick's model focused on

the reaction of the trainees to the training such as learners' perceptions toward the training. Level 2 of the model assesses the amount of learning that results from the learning program by comparing learners' knowledge or skills before and after training. Level 3 focuses on the transfer of knowledge or skills and is the most challenging and difficult to assess because it is time consuming. However, Level 3 is crucial if organizations want to know whether the training provided to their trainees are worthwhile in terms of money, time and effort, which will in turn influence the employees' as well as organization's performance. Once Level 3 is assessed, then the organization can determine the effectiveness of the training. Last but not least, Level 4 shows whether the training has an impact on the performance of the organization or the individual as a whole.

Tannenbaum et al. (1993) constructed a training transfer model which extended Kirkpatrick's Four Level Model by adding post training attitudes and divided behavior in level 3 into two outcomes for evaluation: training performance and transfer performance. In addition, Tannenbaum et al. gave greater emphasis to individual characteristics which have significant impact on training outcomes. They suggested that trainees with high self-confidence, high expectations from the training, positive task-related attitudes, self-efficacy, commitment and motivation are more likely to complete training.

In addition, Noe's model on motivational influences on training effectiveness (Noe & Schmitt, 1986) stressed that trainees' involvement in their jobs and careers were found to be significant to learning and behavior change and indirectly forced training transfer to happen. In other words, trainees who have high levels of motivation and a career strategy are more willing to apply what they gained from training to their jobs.

Baldwin and Ford (1988) in their Training Transfer Model highlighted that three factors have direct impact on training transfer: training input which consists of trainees' characteristics (ability, personality and motivation), training design (principles of learning and sequencing training content) and work environment (support and opportunity to use); training output which emphasizes learning and retention and conditions for transfer (generalization and maintenance). They stressed that the results of transfer only occurred when the trainees can use or apply the knowledge and skills learned to be generalized on the job and maintained over a period of time or until related new knowledge or skills emerge.

On the other hand, Thayer and Teachout's Model for Training Transfer (Thayer & Teachout, 1995) stressed two factors that influence training transfer: activities during training and climate for transfer after training or environmental factors such as support from management, policies etc. Moreover, they also include other variables which give impact to learning and which have been proven by previous researchers like Ford et al. (1992), Mathieu et al. (1992), Kirkpatrick (1976) such as reaction to training, previous knowledge and skills, self-efficacy, ability, locus of control, job involvement and career job attitudes. However, they do not test these variables and concentrate on activities during training and climate for transfer that have a direct effect on learning and transfer.

The training evaluation model by Kraiger (2002) underlines three multidimensional target areas of evaluation: training content and design, changes in learners and organizational pay-offs. Kraiger states that design, delivery and validity of training are some areas that need serious consideration when developing training. Affective and cognitive factors as well as the behavior of the trainees are important to determine the success of the training. In addition, the

organizations' involvement in facilitating the transfer is crucial towards achieving the objectives of the training and to ensure that the effort, time and money spent for training is paid off.

Machin and Fogarty (2003) using the simplified Training Transfer Model of Thayer and Teachout (1995) devised their training transfer model by focusing on training transfer that enhances activities rather than the transfer climate. In their model, they highlighted several activities that are relevant to their study to measure training transfer. The activities are computer self-efficacy, positive and negative affectivity, transfer enhance activities and transfer implementation intentions.

Alvarez et al. (2004) came up with another training transfer model which integrate all training evaluation and training effective models as they believe that training evaluation "is a methodological approach to measure learning outcomes whereas training effectiveness "is a theoretical approach for understanding those outcomes." Alvarez's model simplified all the training evaluation and effectiveness models by taking all variables that were found to be consistently affecting training outcomes and adding post training self-efficacy in order to discover the relationship between post training self-efficacy and other factors when evaluating the effectiveness of the training. Hence, it can be summarized that models on training evaluation and effectiveness do emphasize training transfer which is the ultimate goal when providing training even though the factors that contribute to this goal vary from one model to another.

### **Conceptual Framework**

Most of the researches on training transfer who apply the said training evaluation and effectiveness models used employees working in organizational

settings as their respondents. Since this study is to measure training transfer among small businesswomen, several factors on training transfer have been selected to suit the study. Trainees' characteristics such as self-efficacy, learner readiness, goal orientation, motivation and so forth will not be included because of the unique characteristics of businesswomen. Ayadurai and Ahmad (2006) in their studies on critical success factors among women entrepreneurs in SMEs in Malaysia, concluded that characteristics such as innovativeness, creativity, risk taking, business mindedness, possessing the right attitude and good networking are some of the critical success factors that contribute to their business success. In her study on the profile of innovative women entrepreneurs in Malaysia, Aida (2008) highlighted that women entrepreneurs in Malaysia are innovative in developing new marketing techniques, administrative procedures and flexible working hours. Anna, Chandler, Jansen and Mero (1999) also highlighted that women involved in traditional and non-traditional industries in Utah and Illinois performed higher venture efficacy or opportunity recognition and higher career expectation of life balance and security. Because of these positive and unique characteristics possessed by businesswomen, trainees' characteristics are not given a priority to be evaluated in terms of training transfer for this study.

Another factor that is dropped from the training transfer model is the work environment which includes support from management and supervisors. Even though quite a number of studies emphasize the importance of management support in facilitating training transfer, for example (Awoniyi, Griego, & Morgan, 2002; Cromwell & Kolb, 2004; Hawley & Barnard, 2005; Lim & Morris, 2006; Rouiller & Goldstein, 1993) many small businesswomen who run and have their own businesses get support from outside their businesses such as people who run

similar businesses, family, colleagues, financial institutions (1999) as well as government agencies which offer business advisory centres and so forth. Again, the factor of management support is not a relevant investigation in this study. Since training transfer is complex and involves multiple variables at different levels of analysis and different stages (Baldwin & Ford, 1988; Rouiller & Goldstein, 1993; Velada, Caetano, Michel, Lyons, & Kavanagh, 2007), this study attempts to investigate the relationship between training transfer variables, involvement of different stakeholders and training activities in the training process. So for the purpose of evaluating training programs for businesswomen, the training transfer determinants that have been selected are training design which consists of training content, training delivery and trainer's competency as well as work environment which emphasizes opportunity to use. The framework of this study will only concentrate on these mentioned variables.

Besides training transfer determinants, another important factor which is considered to be a major contribution to this study is the moderating effect of social networks in facilitating the training transfer process. As defined by Wasserman and Faust (1994) "social networks consist of finite set or sets of actors and the relation or relationship defined on them." For entrepreneurs, Kristiansen (2004) define social networks as "channels through which entrepreneurs get access to the necessary resources for business start up, growth and success." Here, the set of actors referred to Wasserman and Faust's definition will be the group of small businesswomen and agreeing with this definition, this study attempts to analyse the patterns of social relationships between small businesswomen and primary stakeholders: the organizer, the trainers and colleagues which will form the support social structure that exists between and within the group. For example, a study done by Rose

et al (2006) on entrepreneurs' success factors among founding entrepreneurs in Malaysia that contribute to their companies' venture growth, found that social network support is positively related to venture growth.

Greve and Salaff (2003) in their cross sectional survey on social networks among four countries: United States, Italy, Norway and Sweden found out there is not much difference in acquiring social networks as it depends on the business establishment process. Entrepreneurs get support, knowledge and access to distribution channels through their social networking and tend to limit their discussion to their closest relations. As their business developed, their social networks will be reduced and fixed to one that is reliable. SMECorp Malaysia is also encouraging social networking among SMEs through programs such as showcases and exhibitions which provide a platform for the entrepreneurs to share experiences and ideas in order to survive in a globally-competitive market (SMECorp Official Website, 2010). Figure 1 below show the conceptual framework for this study.

**Training Transfer Determinants**

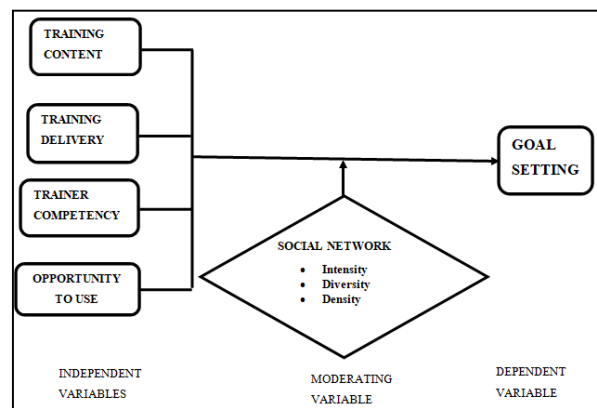


Figure 1: The Conceptual Framework for The Influence of Social Network in Facilitating Training Transfer Determinants and Goal Setting of Small Businesswomen

## METHODOLOGY

Since the primary focus of this study is to investigate the moderating effect of social network (intensity, diversity and density) on the relationship between training transfer determinants and goal setting of women owners of small businesses, the design of this study is longitudinal research where the researcher has to collect the data from more than one point in time (Cavana, Delahaye and Sekaran, 2001). The data will be collected immediately after the training ends and four months after that. This is to ensure that the process of training transfer will take place as suggested by Kirkpatrick (1987).

The respondents for this study will be the small business owners who have attended any training related to businesses and convenience sampling is the best way to use due to the limitations such as the time and venue of the training programs.

The data will be keyed in using SPSS version 24 based on three stages: preliminary, univariate and multivariate analyses. Cleaning data, normality and reliability tests will be done in order to fulfil the assumptions for further analysis. Since the questionnaire for this study is using adopt and adapt, method, two types of validity tests will also be performed: content validity and construct validity. In order to attain the main objective of this study which is to investigate the moderating effect of social network, hierarchical regression will be used.

## CONCLUSION

Most of the studies on entrepreneurs and social networks mainly follow a qualitative approach and are based on a small sample (Bruderl & Preisendorfer, 1998). However, this study intends to use a quantitative approach by relating training transfer determinants:

training content, training delivery and trainer's competency and the work environment as well as social networks through understanding the network structure and interaction between individuals mentioned above. It is hoped that this study will reveal the hidden relational barriers within a transfer climate that hinder the training transfer process among small businesswomen in order that they may overcome them to fulfil their goal setting activities. It is also hoped that this study will contribute to the body of knowledge on entrepreneurship as well as human resource management, with specific focus on training transfer issues.

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