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## **ON-THE-JOB TRAINING IN COFFEEHOUSE CHAINS EMPLOYEES- A NEW TREND OR A PREREQUISITE?**

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### **Abstract**

*The present study examines the relationship between coffeehouse chains employees' on-the-job training and their productivity, as factors that may have contributed to the sector's development during the economic crisis in Greece. The reason for conducting this research was the development and expansion of training for employees in coffeehouse chains as an HR practice. This is quantitative research, with a sample consisted of 175 coffeehouse chains employees in Thessaloniki, Greece. The required data were collected using Job Training and Job Satisfaction Survey (only the part related to job training) developed by Schmidt (2004) and Job Performance Scale developed by Williams and Anderson (1991). The results of this study showed that there is a significant and positive relationship between the sample's on-the-job training and their productivity and thus, this training constitutes a predictive factor for the employees' productivity. Findings also revealed that women and older employees in coffeehouse chains evaluated training as more important than men and younger employees. Similar results were observed with respect to the relationship between age and productivity, as younger employees had lower productivity. This research contributes to the relevant field by highlighting the impact of training on employee productivity. As the coffeehouse*

*industry is a crucial sector for the Greek economy, further studies on the job's characteristics and employees' well-being should be conducted.*

### **Keywords**

Training, Productivity, Coffeehouse Chains

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## **1. Introduction**

The economic crisis in Greece was an unpleasant situation that caused many problems in the country for about ten years. It was initially treated as a domino effect of the international recession. However, it later emerged as a major fiscal crisis that arose due to the country's long-term pathogenesis, its structural weaknesses but also the lack of flexibility of monetary policy as a member of the Eurozone (Arghyrou & Tsoukalas, 2011). The main reasons for the economic crisis in Greece can be identified both at a national and an international level (Nelson, Belkin & Mix, 2011). The internal reasons that led Greece to the current situation were the high government expenditures, tax evasion, corruption, inability to export and structural weaknesses, while as external factors are identified the country's accession to the European Union and the consequent loose adoption of European Union norms aimed at reducing debt.

The recent economic crisis in Greece has struck the country's entrepreneurship in the spotlight. Firms faced multiple challenges during the crisis period and unfortunately, 140.000 enterprises bankrupted or closed during the crisis, whilst another huge number of enterprises barely managed to continue working, still with serious damages on their economic outcomes (Hellenic Statistical Authority, 2018). On the other hand, business starts were at their lowest levels since businessmen thought as a major risk the creation of a new business. This situation caused severe economic and social disruption in the country but also created opportunities for the restructuring of several fields and the emergence of initiative that could lead to success (Pelekanou, 2017).

### **1.1. The growth of Coffeehouse Chains in Greece**

Despite the circumstances, significant growth of coffeehouse chains was observed. The sector of food and coffee constitutes one of the top sectors in the country's economy and spite of the economic recession, coffeehouse chains noted an increase in the establishment of new stores (ICAP, 2011). In the last decade, there has been a rapid growth of several Greek coffeehouse chains which have expanded their network of stores nationwide and, in some cases, abroad. Thus, the growth of coffeehouse chains contributed to the tackling of unemployment, as there has been a steady increase in the rate of employees in the sector over time (ICAP, 2017).

Coffeehouse chains develop and retain their competitive advantage through certain strategies and characteristics. The brand name of the chains is one of these significant characteristics which leads to attraction of clients as it provides the firms with the recognizability they need and long-lasting advertising, due to their large expansion to several points. The location of the stores is the main field of competition between the coffeehouse chains. Choosing the right location is crucial to the success of the store and for this reason, central places in commercial areas are selected, as the stores are addressed mainly to passers-by or employees of each area. Another asset of coffeehouse chains is the firmness of the quality of the products, based on specific standards for each firm. To ensure the quality of the products offered, some chains have verticalized their production processes. The above characteristics result in intense competition, so coffeehouse chains, to meet consumer demands, emphasize the improvement of the conditions and the speed of services and the upgrading of service quality (ICAP, 2017).

The need to ensure the high quality of products and services provided has pushed companies to establish an on-the-job training system, which was emerged as a major innovation for this sector. The training process begins with the trainees' selection through the firm's HR processes. Then, trainees attend a theoretical training program in their job responsibilities depending on the job they have chosen. At the same time, most training programs in the field focus on the growth and improvement of workers' soft skills, such as communication and team working skills, to develop and retain the firm's competitive advantage. Next, trainees practice in real working conditions. Following these steps, trainees who have completed the training program are ready to join the firm's workforce. These training programs are not limited to the initial training of employees. On the contrary, there is a continuous training system so that the employees' knowledge and skills are constantly updated and their performance evaluated.

## **1.2. The Relationship between Training and Productivity**

This research is based on the human capital theory which supports the idea that employees are the most significant part of a firm and their training can have positive effects on their productivity (Dietz & Zwick, 2020). In the literature, there are many studies according to which the human resources of a company contribute decisively to the development of competitive advantage in a company and are perhaps the most important parameter for differentiating successful organizations and businesses (Bing, Kehrhahn & Short, 2003). Indeed, studies based on human capital theory have shown that there is a linear relationship between on-the-job-training and employee productivity (Jung, 2016). However, to highlight the results of human resources at the

organizational level, each company must develop a business strategy that adds value to human resources and promotes every opportunity to acquire knowledge (Lucas, 2010. Abdulhabib & Al-Dhaafri, 2019).

The benefits of human resources development in a company are multiple and are located both at the employee level and at the business level. At the employee level, among the benefits an employee can gain is the increase of his efficiency and the strengthening of his professional profile and therefore the growth of his competitiveness. In this way, the employee can effectively carry out the responsibilities defined by his job position, thus maintaining this position, while developing his qualifications to be able to cope with other job roles. At the same time, the employee has an increased probability of promotion and development of his career and, consequently, an increase in his salary (Papakonstantinou, 2013).

Through specific HRM practices, such as training, companies also aim to develop the necessary knowledge and skills for each position while at the same time they try to ensure their employees' well-being (Brunetto et al., 2012) through the development of high levels of job satisfaction, work engagement, motivation, organizational commitment and other relevant factors.

The latent function of this pursuit lies in the relationship between work well-being and employee performance (Baptiste, 2008). Thus, companies seek to increase the productivity and efficiency of employees through training and job well-being which, in turn, will contribute positively to the growth of the company through the development of competitive advantage (Collins & Clark, 2003). Moreover, at the business level, in addition to improving market competitiveness, performance improvement at the organizational level is achieved and therefore the profits of each business are maximized. Employee development also contributes positively to employee retention and employees' health, thus creating a safe and positive work environment that is attractive to long-term employees (Chaminade, 2007).

## **2. Purpose and Objectives**

The main purpose of this study was to investigate the relationship between job training and employee productivity among coffeehouse chain employees in Greece. Among the individual objectives of the research were as follows.

- The investigation of its predictive relationship of employee productivity by job training

- The investigation of the effects of gender and age on the job training and employee productivity.

### 3. Methodology

This quantitative study was applied to employees in coffeehouse chains in Greece. To find out whether there is a relationship between training and employee productivity, employees filled in a questionnaire consisted of 2 individual tools, as described hereinafter.

#### 3.1. Psychometric Tools

Two psychometric tools were used in this study. First, Job Training and Job Satisfaction Survey developed by Schmidt was used to evaluate the Job Training facet. That is why only the part related to Job Training was used, as proposed in a manual written by the developer of this scale. Thus, the questionnaire studying job training consisted of 12 questions and the answers were given in a 6-point Likert scale.

Second, the Job Performance Scale was also used for the evaluation of employee productivity developed by Williams and Anderson. The scale consisted of 17 questions and the answers were given in a 7-point Likert scale. The total reliability of the questionnaire was high, as Cronbach  $\alpha$  was 0.903.

Furthermore, two questions about employee gender and age were included to examine the effect of demographic factors on training and productivity.

#### 3.2. Sample

The sample of this research consisted of 175 employees in coffeehouse chains in Greece. Seventy-nine participants (45.1% of the total sample) were men and ninety-six (54.9% of the total sample) were women. The mean of the sample's age was 25.34 years (S.D.=3.99), with the sample's age distribution ranging from 18 to 40 years. The demographic characteristics of the sample of this study are reflected in Tables 1 and 2.

**Table 1:** Demographic Characteristics of the Sample (Gender)

Sample	Men	Women
Gender	79 employees (45.1%)	96 employees (54.9%)

**Table 2: Demographic Characteristics of the Sample (Age)**

Sample	Age Mean	Standard Deviation
Age	25.34	3.99

### 3.3. Data Analysis

In the present paper, basic descriptive statistical analyzes were performed, which aimed mainly at the investigation of the mean values and the standard deviations of the numerical variables, as they were formed in the present research, as well as the frequencies of the categorical variables.

Moreover, correlation analysis is an analysis that aims to investigate the relationships between the variables that a research study was conducted. The key indicator in this analysis is the Pearson sampling coefficient of linear correlation, denoted by  $r$  and defined as the numerical measure or index of the magnitude of the correlation between the data of two variables (Benesty et al., 2009).

Finally, a regression analysis was conducted in this study. Regression analysis is the analysis that examines the relationship between two or more variables with the ultimate goal of predicting one of them through the other or the others. Regression analysis is classified according to the following types: single regression, where there is only one independent variable, and multiple regression, where there is more than one independent variable. The simplest case of regression is simple linear regression, in which the dependent variable can be satisfactorily approximated by a linear function with the independent variable (Chatterjee & Hadi, 2015).

## 4. Results

This study is based on the human capital theory, which emphasizes the positive effect of employee development through education and training on their productivity and, as a consequence, on the firm's effectiveness (Becker 1964, In de Grip et al., 2020). The main purpose of this study was the investigation of the relationship between job training and employee productivity. A correlation analysis was conducted, which showed that actually job training and employee productivity are related positively. Findings are shown in Table 3.

**Table 3:** Correlation Analysis between Job Training and Employee Productivity

Factors	Job Training	Employee Productivity
Job Training	-	
Employee productivity	<b>0.668**</b> <b>.000</b>	-

Subsequently, the investigation of the predictive relationship between job training and employee productivity followed. A linear regression analysis was conducted where employee productivity was the dependent factor and job training was the independent factor. Results have shown that job training can predict employee productivity ( $F(1,167)=134.703, p=0.000$ ) and are presented in Table 4.

**Table 4:** Linear Regression Analysis

Factor	R	F	B	T	Sig.
Employee productivity	.668	134.703	.958	11.606	.000

Furthermore, this study wants to highlight the effects of certain demographic factors on job training and employee productivity. To examine if there are differences in job training and employee productivity with respect to the gender of the sample, an Independent Samples T-test was used where gender was the independent factor and job training and employee productivity were the dependent factors. The results have shown statistically significant differences only within job training, as women evaluated it as more significant than men ( $F(1,171)=4.351, p=.038$ ). No differences were noted for the employee productivity factor. Table 5 shows the results of the Independent Samples T-test analysis between gender and the factors of this study.

**Table 5:** Independent Samples T-test analysis

Factor	Men	Women	P
Job Training	4.42	4.30	.038

Finally, another correlation analysis was conducted to find out whether there are relationships between age and the factors of this study. The analysis revealed that age has a positive statistically significant relationship with employee productivity. In this research, older employees seem to be more productive than younger employees. The results are presented in Table 6.

**Table 6:** Correlation Analysis between Age and Employee Productivity

Factors	Age	Employee Productivity
Age	-	
Employee productivity	.170*	-
	.026	

## 5. Discussion and Conclusions

The results of this study seem to agree with the relevant literature on the field. Numerous studies are confirming the relationship between job training and employee productivity (Elnaga & Imran, 2013). The relationship between training and productivity can reveal a predicting relationship between training and productivity, as emerged in this research and other studies (Brewer & Selden, 2000). Furthermore, the role of gender in various factors investigated in this field is very significant because men and women confront differently work factors and situations, as this research has shown (Evertsson, 2004). Finally, age plays an important role too, since the relevant literature has found significant differences in many factors related to the age of the sample (Skirbekk, 2004). Some of these studies focus on the generational differences in work attitudes and other factors (Twenge, 2010).

In conclusion, this research has confirmed the relationship between job training and employee productivity, and actually, it emerged that job training can predict employee productivity. Moreover, it highlighted the effect of gender and age on the job training and employee productivity. This is the first research conducted in Greece with a sample of employees in coffeehouse chains and one of a few conducted worldwide. The results of this study can conduce to the sector, as it confirms that the investment to human capital attributes to the organization's outcomes.

Among the study's limitations are included the fact that the sample was rather small and that the participants completed a self-report questionnaire in which the answers given may be subjective. Proposals for further research can include the investigation of job characteristics and employee well-being under job training and employee productivity. Also, research on the impact of employees' soft skills in productivity could highlight the importance of conducting soft skills training programs in employees working in the food and coffee field.



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