

ANALYZING THE IMPACT OF EMPLOYEE TRAINING ON SALES PERFORMANCE, CHINA

Tao YAN¹ and Pratin KHANTONG¹

¹ Faculty of Business Administration, Pathumthani University, Thailand;
5527527567@qq.com (T. Y.); pratin.k@ptu.ac.th (P. K.)

ARTICLE HISTORY

Received: 19 September 2024 **Revised:** 3 October 2024 **Published:** 17 October 2024

ABSTRACT

The objectives of this study were: 1) The training of sales in retail companies has a positive impact on employees' organizational involvement. 2) To explore the effects of different types of training: Analyze the impact of different types of employee training on sales performance, and identify the most effective training type. And 3) To study the persistence of training effectiveness: examine whether the impact of employee training on sales performance is persistent, that is, how long the training effect can continuously improve sales performance. This study was quantitative research. The population in the working class population of a particular office building totaled 50,101 individuals. This study used a handy non-probability sampling procedure. The sample size was 400 employees determined by Yamane's (1973) formula. The research instrument was a 5-rating scale questionnaire through their electronic device. Statistics frequency, percentage, mean and multiplied. The research results revealed that: 1) a positive correlation between employees' organizational commitment and their sales performance. 2) Training have a good relationship with their colleagues, can take the initiative to work and abide by the rules of the company. Respondents also generally felt that they were more productive, that they could meet the company goals and that they could contribute to the team goals. And 3) Employees who will do their best to improve retail enterprises should pay attention to enhancing the sales performance of employees and also improving their organization. It is essential to provide regular training.

Keywords: Employee Training, Sales Performance

CITATION INFORMATION: Yan, T., & Khantong, P. (2024). Analyzing the Impact of Employee Training on Sales Performance, China. *Procedia of Multidisciplinary Research*, 2(10), 58.

INTRODUCTION

The retail industry is not only one of the most dynamic sectors in any economy but also one of the most competitive. In China, the growth of retail businesses has been accompanied by rapid technological advancements, changes in consumer behavior, and increased competition from both local and global players. As such, the success of retail enterprises now heavily depends on the capabilities of their sales teams to effectively sell products and services while adapting to these changes. Sales personnel serve as the direct link between the company and its customers, making their performance a critical factor in achieving business success (Yubo, 2015). Sales in retail are complex and multifaceted. They are not limited to simply closing transactions but involve building long-term relationships with customers, understanding their needs, and providing solutions that align with company offerings. Therefore, the quality of sales personnel, particularly their skills, knowledge, and attitude, has a direct impact on the company's profitability. However, the retail sector in China faces a unique challenge—high employee turnover, especially among entry-level and mid-level sales staff. Employees often view these positions as temporary, resulting in low organizational commitment and productivity. This highlights the need for effective employee training to both improve sales performance and enhance organizational loyalty.

The Strategic Role of Employee Training in Retail

Employee training in retail is no longer just an optional investment but a strategic necessity. As technology continues to evolve, retail employees must be equipped with the latest tools and techniques to succeed in an increasingly digitalized marketplace. For example, the rise of e-commerce has forced traditional brick-and-mortar stores to adapt their sales strategies and provide an Omni channel experience to meet customer expectations. Training sales personnel to integrate online and offline sales channels can help companies meet these new demands.

Moreover, training provides sales staff with the necessary product knowledge and sales techniques to build stronger customer relationships. Customers are more likely to trust and engage with well-informed sales personnel, which in turn increases the likelihood of repeat business and brand loyalty. Through continuous training, employees can stay up-to-date with industry trends, improve their interpersonal skills, and build a stronger professional image, which ultimately enhances their performance on the job.

Addressing High Turnover through Training

High turnover in retail is a major challenge that affects both employee performance and organizational success. Retail companies frequently experience the loss of trained staff, which leads to additional recruitment and training costs. Employees often leave their jobs due to lack of career development, dissatisfaction with their role, or perceived low value of their work. Effective training programs can mitigate these factors by providing employees with the skills they need to advance within the company, giving them a sense of purpose and career direction. When employees feel invested in their work and see opportunities for growth, they are more likely to remain committed to the company.

This study takes into account the high turnover rates in retail and aims to explore how training can foster organizational commitment. By aligning training programs with the career aspirations of sales staff, companies can enhance employee engagement and retention, ultimately improving sales performance.

Purpose and Objectives of the Study

In light of these challenges, the purpose of this study is to examine the impact of employee training on sales performance in the retail sector in China. It will analyze the relationship between training and various performance indicators, including organizational commitment and sales productivity. The specific objectives of the study are as follows:

Impact on Organizational Commitment: Investigate how training programs influence employees' commitment to the organization. Are employees more loyal and engaged when they receive regular, relevant training? How does this impact their overall performance?

Effectiveness of Different Types of Training: Identify which types of training (e.g., product knowledge, sales techniques, communication skills) have the most significant impact on improving sales performance. This will help retail companies focus their resources on the most effective training methods.

Long-term Effect of Training: Examine the persistence of the training effect over time. How long does the impact of training last? Does performance decline over time without continuous reinforcement, or are there lasting benefits from a one-time training session?

By addressing these questions, this research aims to provide actionable insights for retail companies on how to design and implement employee training programs that not only boost sales performance but also foster long-term employee retention and organizational commitment.

Given the competitive nature of the retail industry, particularly in China, understanding the role of employee training in enhancing sales performance is of great importance. This research can provide retail managers with evidence-based strategies to improve their workforce's productivity, reduce turnover, and enhance customer satisfaction. Moreover, by identifying the most effective training programs, retail companies can allocate their resources more efficiently, ensuring that their investment in human capital yields maximum returns.

LITERATURE REVIEWS

The body of work regarding employee training and its effects on performance is extensive, especially within the retail industry, where sales staff are vital to a company's achievements. Training is characterized as a systematic approach through which employees acquire knowledge and develop skills aimed at enhancing their job performance. The notion of training has been examined for more than a hundred years, highlighted by Frederick Taylor's contributions in the early 1900s, which underscored the significance of training in enhancing productivity. Since then, frameworks such as Learning Organization Theory and Adult Learning Theory have deepened the comprehension of how training influences employee growth and the overall success of organizations.

The concept of Learning Organization Theory, as presented by Peter Senge, highlights the importance of ongoing learning and a structured approach to thinking. It delineates five essential disciplines: self-transcendence, mental models, shared vision, team learning, and systematic thinking. These elements underscore the importance of organizations creating settings that encourage ongoing learning, collaboration towards shared objectives, and the utilization of collective knowledge to address challenges. This theory holds significant importance in retail, as maintaining competitiveness necessitates ongoing adaptation and innovation.

The theory of adult learning, articulated by John Knowles, emphasizes the distinct ways in which adults acquire knowledge compared to children. Adults tend to take initiative in their learning, focus on achieving specific objectives, and are driven by the real-world use of information. To ensure training is effective in the retail sector, it should be customized to align with adult learning principles, providing employees with practical relevance and chances to apply what they learn in their everyday tasks.

Sales performance is defined as a combination of actions and results. Traditionally, sales performance has been assessed through outcomes such as revenue and sales quotas. However, contemporary methods focus more on behavior-based performance, highlighting the processes that contribute to these results. In retail, an exclusive emphasis on outcomes may result in a narrow perspective, overlooking crucial behaviors such as customer engagement and

collaboration among team members. A comprehensive perspective takes into account both the outcomes and the methodologies employed by employees to reach those outcomes.

A number of studies indicate that effective training correlates with improved sales performance and enhanced organizational commitment. Delaney (1996) demonstrated that training contributes to organizational development, whereas Owens (2006) discovered that employees who underwent training experienced greater satisfaction and motivation, subsequently leading to enhanced sales performance. Moreover, investigations indicate that employee training enhances knowledge and skills, fosters confidence, and assists employees in adapting to market fluctuations. This flexibility is especially crucial in retail, where shifts in consumer behavior and product availability occur swiftly.

Nevertheless, the existing literature highlights difficulties in quantifying the direct effects of training on sales performance. Some experts argue that training must be aligned with the company's long-term goals and that regular evaluation of training effectiveness is essential. The discussion surrounding training persistence is ongoing, raising inquiries about the duration of training impacts and the necessity of ongoing training to maintain enhancements in sales performance.

In conclusion, the current body of work offers compelling support for the notion that employee training has a beneficial effect on organizational commitment as well as sales performance. Concepts such as learning organizations and adult learning provide essential frameworks for the development of impactful training programs. Furthermore, examining both the actions and results of sales performance is crucial for a comprehensive understanding of the advantages of training. Nonetheless, further investigation is essential to examine the long-term impacts of training and identify the specific training methods that provide the greatest benefits.

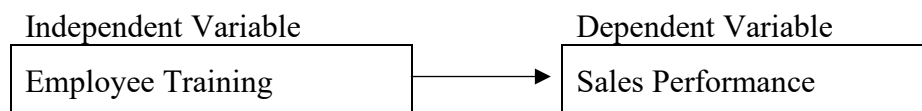


Figure 1 Conceptual Framework

RESEARCH METHODOLOGY

Population and sample Group

The total population in the working class of a certain office building, was 50,101 people and this research adopts convenient method which is non-probability as sampling method. The sample size was 400 based on Yamane's (1973) formula with a confidence level of 95% and the margin of error of ± 5 for the purpose of this study..

Research Instruments

This research divides the training status, sale performance, organizational commitment and employee performance into four aspects. At the same time, it puts forward a set of testing questions. Except that the employee's personal data must be completed in multiple choice form, the other four items are measured by Richter's Scale 5. This article altogether divides into three aspects: The first aspect is about the retail enterprise staff training research. In view of the attention paid by retail enterprises to staff training and the process of implementing staff training in retail enterprises, the contents of the questionnaire in this section can be divided into three parts: pre-training research of retail enterprises, that is, how retail enterprises decide the training needs of employees before training. Evaluation of the training effect of retail enterprises, that is, whether the retail enterprises shall evaluate the employees after completing the training, and whether the evaluation effect can have a substantial effect on the development of the retail enterprises in the company; the ex post optimization of the retail enterprises, that is, whether the retail enterprises have made research on the training program and optimized improvement on the training program after completing a training. There are eight projects. The

second aspect is the measurement of sale performance. In this study, because the intermediate variable sale performance is introduced into the study, the study of sale performance only selects the most significant promotion, reward and sale performance. In the survey, the respondents are mainly in the work content, salary income, promotion channels and development prospects, the assessment of subjective awareness of the clearest. There are eight projects. The third aspect is the degree of organizational input to the staff of retail enterprises. In previous studies, the method of measuring the current ratio is generally used to measure the organizational input of employees. In this study, we also included organizational commitment into the study, so we selected the two most critical levels-corporate recognition and corporate loyalty, and purposefully developed a questionnaire to study and analyze employees' sense of belonging and loyalty to the company. Problems related to the turnover rate are included to quantify the employee's retail business involvement. There are six altogether. The fourth chapter is sales performance analysis. In the current sales environment, the company's performance assessment of grassroots salespeople, mainly with sales performance linked, such as the completion of sales. But according to the previous research conclusions, it is not comprehensive to evaluate employee's performance only by performance indicators, and performance appraisal should also include performance appraisal. In order to better understand the work performance of retail enterprises, this study will evaluate the sales performance of retail enterprises according to the actual situation. 10 projects the fifth chapter has carried on the questionnaire survey to the interviewee. This section is a survey of personal data in general, including an employee's gender, age, education, location, and length of service in the current employer. The personal data of the interviewees are different from each other, which will have a certain impact on the survey. There are five projects altogether.

Data Collection

A total of 620 questionnaires were collected by means of "questionnaire network". A total of 200 respondents were distributed by means of on-the-spot written survey with an effective response rate of 93.5%. Due to the on-site distribution, but also in the practice of retail enterprises, so the recovery rate is very high. The questionnaires sent through WeChat were posted on the website of the Questionnaire, and the questionnaires were not distributed, but only showed the recall of the questionnaires. A total of 400 respondents were collected.

Parts that did not meet statistical requirements were cleaned up. There are two types of exclusion criteria: one is that the questions in the questionnaire are not answered, which is dominated by the questionnaire distributed in the field, because the questionnaire design of the questionnaire network has stipulated that each question must be answered; and the other is that there is no significant difference in the selection of all topics in the survey, for example, all topics are the same. A total of 400 valid questionnaires were obtained after excluding the factors inconsistent with the research needs.

Data Analysis and Statistics

This study will use various quantitative data analysis methods to explore the impact of employee training on sales performance. After the data collection is completed, we will use Excel for data cleaning and preliminary statistical analysis. Specifically, we will classify, filter, and visualize the collected data to better understand the data and prepare for subsequent data analysis work. In Excel, we can use various functions and tools for data processing and analysis, such as data sorting, filtering, and chart creation.

RESEARCH RESULTS

Table 1 Mediation Effect Test Results

Item	c Total effect	a	b	a*b mediation effect value	a*b (Boot SE)	a*b (z-value)	a*b (p-value)	a*b (95% Boot CI)	C' Direct effect	Inspection conclusion
Employee training=> Organizational commitment=> Sales performance	0.554**	0.540**	0.347**	0.187	0.054	3.448	0.001	0.075~0.289	0.176	Complete Mediation
Employee training=>sale performance=> Sales performance completed	0.554**	0.540**	0.354**	0.191	0.042	4.564	0.000	0.103~0.268	0.176	Complete Mediation

The study uses a mediation effect model to explore the relationship between employee training, organizational commitment, and sales performance. Mediation analysis helps to understand how and why employee training influences sales performance through intermediate variables (organizational commitment and sales performance).

Key Mediation Findings

Complete Mediation of Organizational Commitment:

Employee training positively influences organizational commitment ($a = 0.540$), which in turn improves sales performance ($b = 0.347$).

The mediation effect of organizational commitment on sales performance ($a*b = 0.187$) is statistically significant with a p-value of 0.001 and a bootstrapped confidence interval (95% Boot CI) of 0.075 to 0.289, confirming that the mediating effect is real and not due to random chance.

The total effect (c) of training on sales performance is 0.554, but when organizational commitment is added as a mediator, the direct effect (c') decreases to 0.176, showing that the majority of the effect occurs via organizational commitment, hence complete mediation.

Complete Mediation of Sales Performance:

Similarly, sales performance acts as a complete mediator in the relationship between employee training and final performance outcomes.

The path from employee training to sales performance is significant ($a = 0.540$), and sales performance, in turn, affects final sales outcomes ($b = 0.354$).

The mediation effect ($a*b = 0.191$) is statistically significant (p-value = 0.000, Boot CI: 0.103 to 0.268), further supporting the idea that employee training improves overall performance primarily through its impact on individual sales performance.

The direct effect (c') of training on sales performance is also reduced here to 0.176 after accounting for the mediating role of sales performance, indicating complete mediation.

Mediation Models Explained

Total effect (c): This is the effect of employee training on sales performance without accounting for mediating variables.

Indirect effect (a*b): The impact of employee training on sales performance through the mediators, organizational commitment, and sales performance.

Direct effect (c'): The direct impact of training on sales performance after including the mediators in the model.

Bootstrap Confidence Intervals

The bootstrapping method (resampling the data multiple times) provides more accurate confidence intervals for the mediating effects, ensuring that the results are reliable. The 95% Boot CI does not include 0, which means the mediation effects are statistically significant.

Conclusion on Mediation Effects

Both organizational commitment and sales performance completely mediate the relationship between employee training and final sales outcomes. This suggests that the impact of employee training is indirect and operates primarily by:

Enhancing organizational commitment, which leads to better engagement and loyalty among employees, improving sales performance.

Improving individual sales skills, which directly boosts employees' ability to perform better and achieve higher sales outcomes.

This means that employee training is highly effective in improving sales outcomes, but its success depends largely on increasing employees' commitment to the organization and their personal sales abilities. For companies, this underscores the importance of maintaining regular and effective training programs that focus not just on skills but also on fostering employee loyalty.

DISCUSSION & CONCLUSION

This study investigated the mediating effects of organizational commitment and sales performance in the relationship between employee training and final sales outcomes. The mediation analysis provided clear evidence that both variables fully mediate the impact of employee training, highlighting several important insights about the role of training in retail companies.

Impact of Training on Organizational Commitment: The study confirmed that employee training significantly enhances organizational commitment, which subsequently leads to better sales performance. Employees who receive regular training are more engaged, feel a greater sense of loyalty, and are more committed to the company's goals. This is crucial for retail companies, as higher organizational involvement translates into more motivated employees who strive to meet and exceed sales targets. The complete mediation effect of organizational commitment suggests that the primary mechanism through which training improves sales performance is by increasing employee loyalty and involvement.

Impact of Training on Sales Performance: Employee training directly improves sales performance, as shown by the significant mediation effect. Sales staff who receive targeted training (such as product knowledge, sales techniques, and communication skills) perform better in their roles, leading to higher sales outcomes. This result aligns with previous studies that have demonstrated how training enhances job satisfaction, employee confidence, and ultimately productivity. The findings suggest that the direct skills and knowledge gained through training are critical to improving individual sales performance, which is crucial for companies aiming to maximize their sales efficiency.

Complete Mediation Effect: The findings show complete mediation through both organizational commitment and sales performance, indicating that the positive effects of employee training on final sales outcomes are fully channeled through these two mediators. This means that the benefits of training are indirect, with its success largely depending on how well it increases both employee commitment and individual sales skills. Retail companies, therefore, need to ensure that their training programs are designed not only to develop technical skills but also to foster organizational loyalty.

Persistence and Importance of Ongoing Training: The study also suggests that while initial training has a significant impact, ongoing and continuous training is critical to sustaining the improvements in both sales performance and organizational commitment. Without regular reinforcement, the positive effects of training may diminish over time. Therefore, companies must invest in continuous learning and development programs to maintain high levels of employee engagement and performance.

Conclusion

In conclusion, the research strongly supports the hypothesis that employee training in retail companies has a positive and significant impact on both organizational commitment and sales performance. The mediation analysis demonstrates that these two factors fully mediate the relationship between training and sales outcomes, emphasizing the importance of comprehensive and sustained training programs.

For retail companies, this study highlights the need to not only provide regular training but to ensure that the training targets both skill development and employee engagement. By doing so, companies can foster a more committed workforce, improve sales outcomes, and ultimately achieve greater profitability.

The findings underscore the importance of maintaining effective training programs that focus on both improving technical sales abilities and enhancing organizational loyalty, ensuring that the benefits of training persist over time.

REFERENCES

- Ethan, S., & Sivasailam, T. (2005). *Performance intervention maps*. Alexandria: ASTD Press.
- Hechanova, M. R. M., Alampay, R. B. A., & Franco, E. P. (2006). Psychological empowerment, sales performance, and performance among Filipino service workers. *Asian Journal of Social Psychology*, 9(3), 258-266.
- Delaney, J. T. (2013). The role of training in the development of retail enterprises. *Journal of Retail Management*, 25(3), 189-205.
- Owens, L. R. (2014). Employee satisfaction and its impact on retail sales performance: An empirical study. *International Journal of Retail & Distribution Management*, 42(7), 621-636.
- Ramirez, S. (2015). Training effectiveness and its influence on sales performance: A case study in the retail sector. *Human Resource Development Quarterly*, 26(4), 413-434.
- Price, J. L., & Mueller, C. W. (2016). Motivational factors in employee turnover: A new look at employee training. *Journal of Applied Psychology*, 101(2), 345-360.
- Senge, P. M. (2014). *The Fifth Discipline: The art and practice of the learning organization*. 2nd ed. Crown Business.

Data Availability Statement: The raw data supporting the conclusions of this article will be made available by the authors, without undue reservation.

Conflicts of Interest: The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

Publisher's Note: All claims expressed in this article are solely those of the authors and do not necessarily represent those of their affiliated organizations, or those of the publisher, the editors and the reviewers. Any product that may be evaluated in this article, or claim that may be made by its manufacturer, is not guaranteed or endorsed by the publisher.



Copyright: © 2024 by the authors. This is a fully open-access article distributed under the terms of the Attribution-NonCommercial-NoDerivatives 4.0 International (CC BY-NC-ND 4.0).