

# **Skills Development and Job Satisfaction through Workplace Learning in Small and Medium Tourism Enterprises in Malaysia**

**SHAMUNI Kunjiapu\* and RUHIZAN Mohamad Yasin\*\***

## **Abstract**

The dynamic business environment today demands a great need for skilled employees to improve competitive advantage and profitability. Business enterprises regardless of their size are forced not only to find ways to enhance their human capital but also to increase their employees' job satisfaction. Workplace learning is a two-pronged strategy that can be used by these enterprises to fulfil both needs. The aim of this paper is to explore workplace learning and its association with job satisfaction and skills development among employees of small and medium tourism enterprises (SMTEs) in Malaysia. Cross-sectional data derived from a questionnaire survey of 410 respondents were analysed using descriptive and inferential statistics such as mean comparison, standard deviation and correlations. The results indicate that informal learning is most prevalent in SMTEs and that there is a moderately strong and positive relationship between workplace learning and skills development and job satisfaction.

**Key words:** Workplace learning; small and medium tourism related enterprises; formal, informal and incidental learning; skills development; job satisfaction

## **Introduction**

Workplace learning is an area of study that is gaining popularity among researchers and policy makers around the world. This is an important issue in today's hyper-competitive environment where it is mandatory for organizations to possess knowledge, technological proficiency, high productivity and competitiveness. Eraut (1994) explained that workplace learning is far more efficient when it involves development of work related skills and knowledge. The consequences of engaging in workplace learning include increased productivity, competitiveness, and improved workplace culture, morale, and employee satisfaction (Rowden, 2002; Rowden and Ahmad, 2000; Conference Board of Canada, 2011).

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\* Dr. SHAMUNI Kunjiapu is Lecturer cum Deputy Head, School of Business, New Era College, Kajang, Malaysia. E-mail: shamuni.k@newera.edu.my

\*\* Dr. RUHIZAN Mohamad Yasin is Professor, Faculty of Education, Universiti Kebangsaan Malaysia, Bangi, Malaysia. Email: ruhizan@uk.edu.my

Research on workplace learning and its outcome, skills development, and job satisfaction in small and medium enterprises (SMEs) is relatively uncommon (Rainbury *et al.*, 2002; Rowden and Conine, 2005). Yet SMEs are the economic backbone of many developing countries. In Malaysia, 97.3 per cent of total business establishments in 2014 were SMEs. They contributed 33.1 per cent of GDP, 57.5 per cent of employment, and 19 per cent of total exports (SME Corp, 2014). In terms of size, the tourism industry ranked next to finance and banking in the services sector in 2012, third in its contribution to foreign exchange, and sixth to the Gross National Income (Pemandu, 2013). A skills-driven economy is recognized as an essential condition for attaining the status of a fully developed nation (Economic Planning Unit, 2010). As Malaysia is aspiring to achieve this status by 2020, it needs to address issues pertaining to the development of human capital urgently. This study examines workplace learning and specifically explores the types of learning that occurs in small and medium tourism enterprises (SMTEs) and their role in skills development and job satisfaction.

### **Problem Statement**

A general characteristic of Malaysian SMEs across different economic sectors is low productivity and performance (SME Corp, 2012; OECD, 2013; *SME Master Plan 2012-2020*). Consequently, despite their overwhelming physical presence, Malaysian SMEs accounted for only a third of the nation's GDP, compared with 50 per cent in Singapore (SME Corp, 2012). Noor Hazlina Ahmad and Seet (2009) indicated that the failure rate of SMEs is as high as 60 per cent. Past studies that explored the causes of SME failure mentioned such factors as the lack of skills, knowledge, creativity and the inability to innovate (Saleh and Ndubisi, 2006; National Economic Advisory Council, 2010). There are naturally many other contributing factors such as shortage of human resources and organization capabilities, outdated methods, cash flow and financial difficulties, poor support from financial institutions or the government, lack of human resources development, inability to withstand international competition; limited investment on ICT, and over reliance on the local market (Chee, 1986; Hashim and Abdullah 2000; Saleh and Ndubisi, 2006). However they have been very few similar investigations targeting tourism related SMEs.

Although workplace learning is gaining popularity, previous studies that explored this subject were interested in the large organizations. The few that targeted the SMEs were concerned with the manufacturing sector. Services-based SMEs which include those in the tourism sector have attracted scant attention. Many studies were concerned with investigating the factors or conditions that influenced the workplace (Marsick and Watkins, 1990; Billet, 2001). Issues of workplace learning such as skills development and job satisfaction have drawn little research interest to date. Studies by the Conference Board of Canada (2011), Kyriakidou and Bowen (2003), and Gamage (2014) explored skills development as outcome of workplace

in Canada, UK and Japan. Job satisfaction stemming from workplace learning in SMEs were investigated by Rowden (2002), Rowden and Conine (2005), and Rowden and Ahmad (2000).

Workplace learning has its roots in social constructivism theory that explains that knowledge acquisition involves individual and social factors. It is broadly concerned with all forms of training and learning and plays a central role in the lives of individuals, groups or the business agenda of enterprises (Marsick and Volpe, 1999). The process may take the form of formal, informal, and incidental learning (Rowden 1995; Watkins and Marsick, 1992). Workplace learning offers possible solutions to issues of low productivity that are inseparable from employee skills and satisfaction. It is found that workplace learning is pertinent for quality innovation and knowledge diffusion, productivity improvement and job satisfaction (Markulla and Sinko, 2009; Drucker, 2011; Rowden, 2002). From the perspective of the learner, formal learning is intentional. Its characteristic includes a prescribed learning framework; an organized learning event or package; the presence of a designated teacher or trainer; the award of a qualification or credit; and the external specification of outcomes (Eraut and Hirsh, 2007). Informal learning, though intentional, does not follow an organized pedagogy or lead to formal certification. It is integrated with daily routines, triggered by an internal or external jolt, not highly conscious, haphazard and influenced by chance (Vaughan, 2004). It is also dependent on one's experience, work context, trainer, sufficient support and the workplace culture (Marsick and Watkins, 2001). Incidental learning is defined as a spontaneous action or transaction, the intention of which is task accomplishment, but which serendipitously increases particular knowledge, skill, or understanding. Incidental learning, then, includes learning from mistakes, by doing, through networking and interpersonal interactions (Marsick and Watkins, 2001).

This study aims to shed light on skills development and job satisfaction as the outcome of workplace learning in Malaysian SMTEs. The purpose is to identify workplace learning in SMTEs and to explore the relationships between workplace learning and skills development and job satisfaction (Figure 1).

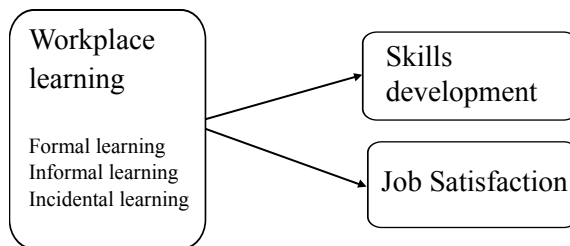


Figure 1. Relationships between Workplace Learning, Skills Development and Job Satisfaction

The hypotheses that underpin this study are as follows:

- H<sub>1</sub>: That there is a difference in the means of three types of workplace learning (formal, informal, and incidental).
- H<sub>2</sub>: That there is a relationship among three types of workplace learning (formal, informal, and incidental) and skills development.
- H<sub>3</sub>: That there is a relationship among three types of workplace learning (formal, informal, and incidental) and job satisfaction.

### The Small and Medium Tourism Enterprises

Depending on the nature of their business, SMEs in Malaysia are recognized as such based on their sales turnover and staff strength (Table 1). Business companies in manufacturing are considered small if the sales are between RM300,000 and RM15 million and full-time employees between 5 and 75 persons, and are regarded as medium in size if sales are between RM15 and RM50 million, and employment varies between 75 and 200. In the services sector, the respective criteria on sales and employment are much lower, being in the range of RM300,000 to RM3 million and employees numbering between five and 30; while medium ones are those with sales between RM3 and RM200 million and employment of 30 to 75 workers (SME Corp, 2014).

Table 1. Definition of SME by Size of Operation

Category	Small	Medium
Manufacturing	Sales turnover from RM300,000 to less than RM15 million OR full-time employees from 5 to less than 75	Sales turnover from RM15 million to not exceeding RM50 million OR full-time employees from 75 to not exceeding 200
Services and Other Sectors	Sales turnover from RM300,000 to less than RM3 million OR full-time employees from 5 to less than 30	Sales turnover from RM3 million to not exceeding RM20 million OR full-time employees from 30 to not exceeding 75

Source: SME Corp, 2014

SMEs contribute substantially to the Malaysian economy. By location, the Klang Valley in the state of Selangor and Kuala Lumpur boasts the largest number comprising 35.7 per cent of the national total. This is followed by Johor (10.3%), Perak (8%) and Kedah (6.8%). By 2020, the SME sector is envisaged to play a more prominent role in the economy than before. Contribution of SMEs to GDP is estimated to escalate to 41 per cent, in employment 62 per cent and in total exports 25 per cent.

SMEs in the services sector account for the largest number of business enterprises in Malaysia with those related to the tourism industry accounting for a substantial number.

According to World Travel and Tourism Council, the tourism industry's direct contribution<sup>1</sup> to Malaysian GDP in 2014 was RM61.06 billion or 5.7 per cent while the total contribution<sup>2</sup> of RM161.0 billion. At the same time, the industry provided 724,500 jobs or 5.3 per cent in direct employment including hotels, travel agencies, airlines, passenger transportation services, restaurants and leisure industries and a total 14.9 per cent of total employment or 1,770,000 jobs in related businesses and sectors (WTTC, 2015).

The Malaysian government has launched an array of supportive initiatives aimed at boosting the travel and tourism sector. These initiatives include the Tenth Malaysia Plan (2011-2015) under which the tourism sector would be improved through the creation of focused tourism clusters that will leverage on existing and iconic tourism products. New tourism products would be developed through partnerships with the private and public sectors. Another initiative is the Economic Transformation Programme (ETP) in which tourism is identified as one of the 12 National Key Economic Areas (NKEAs). The third initiative is the Government Transformation Programme (GTP) in which National Key Results Areas (NKRAs) have been identified to improve the socio-economic growth of Malaysia. These strategies underscore the critical role of a highly skilled, creative and innovative workforce in achieving a high income economy that is both inclusive and sustainable (Pemandu, 2013). The most recent initiative to further assist SMEs is the *SME Masterplan of 2012-2020* which identifies six High Impact Programmes (HIPs) and four themes. Despite these initiatives and specific assistance to nurture talents and human capital, the tourism sector faces various challenges such as lack of qualified employees, constraints on manpower and training, shortage of training opportunities, inadequate access to learn and to appreciate the special requirements of the tourists and tourism trade (NEAC, 2010).

## **Skills Development**

Skills and competencies are the keys to raise productivity and performance. Ensuring the competitiveness and sustainability of a business organization requires the development of skills and competence. Job performance requires both hard and soft skills. The former provides the “muscle” in job performance and may be acquired through education and work experience. The latter is the “human touch” and is more difficult to acquire (Arnold and Davey, 1994; Caudron, 1999; Georges, 1996; Jubas and Butterwick; 2008). Hard skills refer to technical competence in such areas as programming and familiarity with operating systems and procedures that are needed to execute job tasks (Snyder *et al.*, 2006) and are concerned with “what you know”. On the other hand, soft skills refer to the mastery of communication and interpersonal relations and an ability of how such skills are used (Hunt, 2007). Hard and soft skills are complementary, as soft skills that involve interpersonal or behavioural interactions require technical competence and knowledge in the workplace (Rainsbury *et al.*, 2002). Hence both these skills are essential if employees are to be effective in the execution of job tasks (Spencer and Spencer, 1993). Research suggests that soft skills in the

form of interpersonal and communication competence are more easily developed within the workplace environment and are more highly valued by employers (Coll *et al.*, 2002).

Billet (2001) pointed out that observation of co-workers and practices in the workplace are pertinent for skills and competencies development among employees. This is further supported by studies in Canada (Conference Board of Canada, 2011), the United Kingdom (Kyriakidou and Bowen, 2003), and Japan (Gamage, 2014). All confirmed that skills development took place through learning and training at workplaces. Rowley and Abdul Rahman (2007) and Chiah-Law *et al.* (2003) pointed out that Malaysian organizations show insufficient emphasis on human resource management, especially in SMEs where employees have inadequate access to training and development (Coetzer *et al.*, 2014). As there are few studies on skills development in the Malaysian context, there is much room for exploring this further (Arif Hassan, 2010). One of the intentions of this study is to derive some insights on skills development in SMTEs.

### **Job Satisfaction**

Job satisfaction can be defined as a pleasurable or positive emotional state resulting from the appraisal of one's job and the attainment of experiences and satisfaction when one's values are compatible with one's needs (Locke and Lathan, 1990). It can be used as a broad assessment of "an employee's attitudes of overall acceptance, contentment, and enjoyment in his work" (Lee-Kelley *et al.*, 2007: 206).

Job satisfaction is seen as an outcome of intrinsic and extrinsic factors. Intrinsic factors are job-related, such as recognition, achievement, job performance, self-advancement, and responsibility (Herzberg *et al.*, 1959). Extrinsic factors are environment-related rewards, such as wages, company policies and practices, technical facets of supervision, interpersonal relations in supervision, and working conditions. Workplace learning associated with advancement opportunities, recognition and achievements is a component of the intrinsic factors while culture, policy, and conditions that encourage it are extrinsic factors.

Job satisfaction is a popular topic of research among scholars. It has been studied in relation to such factors such as productivity (Judge *et al.* 2001; Dirani, 2009; Egan *et al.*, 2004); leadership (Gaertner, 2000; Goh, 2003), and organizational culture and processes (Eylon and Bamberger, 2000; and Kim, 2002). Studies that focused on workplace learning and job satisfaction in SMEs were completed by Rowden (2002), Rowden and Ahmad (2000), Lee-Kelley *et al.* (2007) and Rowden and Conine (2005) in Malaysia and U.S.. Empirical evidence was provided by studies conducted by Chang and Lee (2007); Egan *et al.* (2004); Goh (2003); Rose *et al.* (2009) that showed that participation in workplace learning would lead to employee satisfaction.

## Data Collection

This study adopts a cross-sectional quantitative approach to focus on employees of SMTEs in Kuala Lumpur and Selangor where a considerable number of these enterprises are found. The sampling frame is the *Travel and Tour Agency Directory* produced by the Malaysian Association of Travel and Tour Agencies (MATTA) and the *Hotel Directory* of the Malaysian Hotel Association (MAH). A total of 19,643 SMEs are engaged in providing services related to hotels and lodging places, travel agencies, tour operators, exchange brokers and others (*SME Annual Report 2011/12*). This study is focused on hotels rated with three stars and below, and selected tour and travel agencies. The choice of these subgroups for investigation was influenced by their high contribution to the nation's value of gross output and value-added output. In 2010, travel agencies, tour operators and reservations contributed 55 per cent to the value of gross output and 31.1 per cent to value-added output (*SME Annual Report 2011/12*).

The sample of 410 respondents from 62 establishments is derived from the sampling strata comprising the subsectors of tourism industry, tour and travel agencies, and hotels of three stars and below in Kuala Lumpur and Selangor. Thirty-eight of these establishments, 20 hotels and 18 tour agencies, are located in Kuala Lumpur and 24 (11 and 13 respectively) in Selangor. Each of the two sub-sectors accounts for half of the total establishments (Table 2).

Table 2. Number of Establishments and Respondents in the Sample Study

Sample Size	Hotel	Tour Agency
Number of Establishments	31	31
Respondents	159	251

A self-administered questionnaire with four sections and Likert-like response scales is used to compile the data. The first section deals with the respondents' demographic details, the second with workplace learning through an adapted version of Rowden's (2002) small business workplace learning survey (15 questions measuring formal, informal and incidental learning;  $\alpha=.85$  and  $CR=.85$ ), the third section measures skills developed (10 questions measuring both hard and soft skills;  $\alpha=.87$ ,  $CR=.86$ ), and the final section determines job satisfaction using the mini version of Minnesota job satisfaction questionnaire (MSQ)(14 questions measuring satisfaction  $\alpha=.89$ ,  $CR=.81$ ). Cronbach's alpha( $\alpha$ ) and Composite Reliability(CR) indices indicate that questionnaire used satisfy the reliability and consistency requirements. The data were analysed using simple descriptive statistics (means; measures of variation-standard deviations; frequencies) to determine the nature and extent of workplace learning in the establishments and Pearson product-moment correlation ( $r$ ) analysis was used to determine the correlation between the constructs under study.

## Discussion

From the findings, it is found that 56 per cent of the respondents were females of whom 45 per cent were within the 26-40 age cohorts. In terms of education, almost half the respondents' possessed tertiary qualifications. Four out of five were employed on a full-time basis but with almost 70 per cent with less than five years of experience in their current jobs. Three-quarters of the respondents worked in travel agencies and the rest in hotels or as tour operators (Table 3).

Table 3. Demographic Details of the Respondents

Demographic Variables	Classifications	Frequency	Percentage
Gender	Male	180	44.0
	Female	230	56.0
Age	25 years and below	168	41.0
	26-40 years	185	45.0
	41-55 years	48	11.7
	56 and above	9	2.2
Ethnicity	Malay	122	29.8
	Chinese	232	56.6
	Indian	40	9.8
	Others	16	3.9
Educational Qualification	Primary	23	5.6
	Secondary	157	38.3
	Tertiary	202	49.3
	None	1	0.2
	Others	26	6.3
Workplace Type	3-star hotel	68	16.6
	2-star hotel	39	9.5
	1-star hotel	46	11.2
	Tour operator	25	6.1
	Travel agency	226	55.1
	Others	6	1.5
Tenure	5 years or less	284	69.3
	6-10 years	81	19.8
	11-15 years	33	8.0
	16-20 years	6	1.5
	20 years or more	6	1.5
Work Type	Full-time	340	82.9
	Part-time	44	10.7
	Contract	23	5.6
	Others	2	0.5



$H_1$ : *There is a difference in the means of three types of workplace learning (formal, informal, and incidental) in SMTEs.*

The mean value of the responses was measured on a five-point response scale with the lowest value indicating “strongly disagree”, through “disagree”, “neutral”, “agree”, and “strongly agree”. The mean values of the three types of workplace learning were derived using SPSS, and interpreted according to the method in the Nunnally and Berstein study (1994). The standard deviation value showed that the responses were relatively concentrated around the mean value and hence indicated that the perceptions of respondents had been consistent. Informal learning was the most pervasive ( $M=3.76$ ,  $SD=0.75$ ), followed by incidental learning ( $M=3.71$ ,  $SD=0.60$ ), and formal learning ( $M=3.54$ ,  $SD=0.72$ ) (Table 4). The mean value of informal learning was highest, followed by incidental learning and formal learning. The difference in the means among the three types of learning implies that  $H_1$  is true.

Table 4. Descriptive Statistics of Types of Workplace Learning in SMTEs

	Formal Learning	Informal Learning	Incidental Learning
N	410	410	410
Mean	3.54	3.76	3.71
Standard Deviation	.72	.75	.60
Interpretation	Moderately high	Moderately high	Moderately high

Both informal and incidental learning are evidently popular because the process is spontaneous and embedded in the execution of daily tasks. In SMEs, learning often happens through interaction between peers and observation of the performance of senior workers. This learning process is not only more appealing but also relatively easy to put into practice by the average worker. As the majority of the respondents are adults, they show a preference for self-directed to structured learning. Formal learning has the lowest mean score, suggesting that this could be the least popular learning type in SMTEs. Formal learning involves a structured process of acquiring knowledge and less flexible in terms of mental exertion. It is consequently less attractive compared with informal learning. Interestingly, many official initiatives to improve human capital take the form of formal learning. Its lack of appeal among SMEs is due to the ignorance of government support for formal training. The findings of this study corroborate with those of Rowden (2002), Rowden and Conine (2005), Marsick and Watkins (2001), Coll *et al.* (2002), in establishing the fact that informal and incidental learning are more popular learning types than formal learning in the workplace.

$H_2$ : *There is a significant relationship among three types of workplace learning (formal, informal, and incidental) and skills development in SMTEs.*

The relationship between workplace learning and skills development was tested using Pearson's Product Moment Correlation Coefficient ( $r$ ) as the variables were normally distributed. The results in Table 5 indicate significant relationships between the three types of workplace learning and hard and soft skills developed at various levels of association implying that  $H_2$  may be accepted. Hard and soft skills (relating to "what you know" and "how you use it" respectively) were measured using a Likert-like scale with six possible responses ranging from the lowest value of 1 meaning "strongly disagree" through the highest of 5 indicating "strongly agree", and 6 indicating "not applicable". Cohen's (1987) rule-of-thumb is used to interpret the strength of correlation. For soft skills the ' $r$ ' value with formal learning was 0.253 ( $n=410$ ,  $p<0.05$ ), 0.334 with informal learning ( $n=410$ ,  $p<0.05$ ), and 0.451 with incidental learning ( $n=410$ ,  $p<0.05$ ). For hard skills, the  $r$  value with formal learning was 0.281 ( $n=410$ ,  $p<0.05$ ), 0.256 with informal learning ( $n=410$ ,  $p<0.05$ ), and 0.283 with incidental learning ( $n=410$ ,  $p<0.05$ ) (Table 5).

Table 5. Correlation between Workplace Learning and Skills Development

Workplace Learning	Soft Skills	Interpretation	Hard Skills	Interpretation
Formal learning	$r = .253^{**}$	Small relation	$r = .281^{**}$	Small relation
Informal learning	$r = .334^{**}$	Medium relation	$r = .256^{**}$	Small relation
Incidental learning	$r = .451^{**}$	Medium relation	$r = .283^{**}$	Small relation

\*\* Correlation is significant at the 0.01 level (2-tailed).

The findings imply that participation in workplace learning contributes positively towards skills development. The more the employees participate in workplace learning the higher would be the skills developed as indicated by the positive correlation. All three types of learning are shown to be aiding the employees of SMTEs in developing their skills. Informal learning showed a moderate relationship ( $r=.334$ ) with soft skills but weak relationship with hard skills ( $r=.256$ ). There was also a moderate relationship between incidental learning and soft skills ( $r=.451$ ) and a weak relationship with hard skills ( $r=.283$ ). Acquiring hard skills that are technical in nature needs a formalized context. Communication, time management and other similar skills are probably being picked up by employees through their informal interaction with peers or simply by relying on past experiences. Hence structured learning that often leads to certification via formal learning is needed to develop the technical or hard skills but not so in developing interpersonal or soft skills.

However, respondents considered formal learning as less important than informal learning in developing soft skills and vice versa in the case of acquiring hard skills. This is also due to the fact that few employees in SMEs had any opportunity to attend formal trainings and had to learn through task performance. Knowledge creation and sharing of experiences took place through interactions with peers and superiors (as in informal learning), observations and learning from mistakes, experimentation (as is incidental learning) and attending formal trainings or workshops (as in formal learning). Useful knowledge that was acquired enabled employees

to understand and execute their tasks better as well as to enhance their creativeness and the spirit of innovation. These findings corroborate with those of the Conference Board of Canada (2011), Kyriakidou and Bowen (2003), CEDEFOP (2011), and Gamage (2014), all pointing to a positive correlation between learning and productivity.

$H_3$ : *There is a significant relationship among three types of workplace learning (formal, informal, and incidental) and job satisfaction in the SMTEs.*

The correlation between the types of workplace learning and total satisfaction was investigated using Pearson Product Moment Correlation Coefficient( $r$ ) analysis. P value obtained was smaller than 0.05, therefore  $H_0$  was rejected. There was a large positive relationship between incidental learning and total satisfaction ( $r=0.502$ ,  $n=410$ ,  $p<0.05$ ), positive and medium relationship with informal learning ( $r=0.370$ ,  $n=410$ ,  $p<0.05$ ), and also medium but positive relationship with formal learning ( $r=0.406$ ,  $n=410$ ,  $p<0.05$ ). The results indicated a positive and medium relationship with informal learning among employees of SMTEs (Table 6).

Table 6. Correlations between Workplace Learning and Job Satisfaction

Workplace Learning	Job Satisfaction	Interpretation
Formal learning	$r = .406^{**}$	Medium relation
Informal learning	$r = .370^{**}$	Medium relation
Incidental learning	$r = .502^{**}$	Large relation

\*\* Correlation is significant at the 0.01 level.

Incidental learning had the largest impact on employees' job satisfaction in SMTEs, followed by formal learning and informal learning. Although formal learning was not the most prevalent type of learning in SMTEs, it was still regarded as contributing to job satisfaction. The more engaged the employees were in workplace learning, the greater the job satisfaction experienced. Incidental learning that allows for reflection and trial and error had the largest association with job satisfaction, followed by structured learning that led to certification. These findings are also similar to those of Rowden (1995; 2002), Rowden and Ahmad (2000), Rowden and Conine (2005), and Lee-Kelley *et al.* (2007).

## Conclusion

This study is focused on SMTEs in Kuala Lumpur and Selangor and attempts to discover the links between learning in the workplace and skills development and job satisfaction. The findings show that employees developed both hard and soft skills through their participation in workplace learning. Employees in the services sector tend to value the acquisition of soft skills more than that of hard skills. The bias towards soft skills may also be due to the nation's transition from an economy based on services rather than on production. The findings are in general agreement with those of various other similar investigations on the subject.

This study shows that employees of SMEs also experience job satisfaction through workplace learning. This is contrary to the common perception that workers in small establishments find little satisfaction in their jobs. The results indicate that incidental and formal learning seem to contribute much to this situation, and confirm the findings of earlier studies.

There have been few studies on workplace learning among employees of SMEs in Malaysia. The findings presented in this study will contribute to the existing pool of knowledge on the empirical impact of workplace learning on both skills development and job satisfaction in SMTEs in the Malaysian context.

### Notes

- 1 The direct contribution of Travel and Tourism to GDP is calculated from total internal spending by “netting out” the purchases made by the different tourism industries. This measure is consistent with the definition of Tourism GDP, specified in the 2008 Tourism Satellite Account: Recommended Methodological Framework (TSA: RMF 2008; WTTC, 2015).
- 2 The total contribution of Travel and Tourism includes its “wider impacts” (i.e. the indirect and induced impacts) on the economy. The “indirect” contribution includes the GDP and jobs supported by: Travel and Tourism investment spending - an important aspect of both current and future activity that includes investment activity such as the purchase of new aircraft and construction of new hotels; Government “collective” spending, which helps Travel and Tourism activity in many different ways as it is made on behalf of the “community at large” - e.g. tourism marketing and promotion, aviation, administration, security services, resort area security services, resort area sanitation services, etc; Domestic purchases of goods and services by the sectors dealing directly with tourists - including, for example, purchases of food and cleaning services by hotels, of fuel and catering services by airlines, and IT services by travel agents. The ‘induced’ contribution measures the GDP and jobs supported by the spending of those who are directly or indirectly employed by the Travel and Tourism sector (WTTC, 2015).

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