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IMPACT OF PERSONAL DEVELOPMENT TRAININGS ON EMPLOYEE MOTIVATION: A CASE STUDY FROM TURKISH PHARMACEUTICAL SECTOR

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Abstract

In the recent years, motivation has been a concept given special importance in management and employee motivation has been considered as a key factor in the success of companies. It is also known that companies spend high amounts of money on trainings each year to increase productivity and stay competitive in the face of global competition and rapidly changing environment. In this article the authors develop a model to investigate whether there is an impact of personal development trainings on the motivation of employees working in a small-sized multinational company in the Turkish pharmaceuticals industry or not. For this purpose, a survey is conducted among 81 employees of this company working both in the head office and in the field as a special case through a questionnaire. Obtained results with a response rate of 94 percent show that there is a strong positive relation between personal development trainings and employee motivation. As a general conclusion, this study presents a positive implication for the relationship between personal development trainings and employee motivation. Further research will focus on conducting the study with larger samples in the Turkish pharmaceuticals sector to generalize the model.

Keywords: Motivation, Training, Personal Development Training, Pharmaceutical Sector Employees.

Introduction

Motivation is defined as internal and external factors that stimulate desire and energy in people to be continually interested in and committed to a job, role, or subject, and to exert persistent effort in attaining a goal. It results from the interactions among conscious and unconscious factors such as the intensity of desire or need, incentive or reward value of the goal, and expectations of the individual and of his or her significant others (www.businessdictionary.com).

Motivation, which is a concept originated from "movere" in Latin, has different meanings like to encourage, to influence and to activate. It is the process of directing people to the desired attitude to accomplish a determined goal. Workers in any organization need something to keep them working. Most times the salary of the employee is enough to keep him or her working for an organization. However, sometimes just working for salary is not enough for employees to stay at an organization. An employee must be motivated to work for a company or organization. If no motivation is present in an employee, then that employee's quality of work or all work in general will deteriorate (Kızıltaş, 2003: 46).

Under an organizational model where individuals are expected to play an enlarged and empowered role and organizations are expected to shoulder a broad range of social

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responsibilities, organizations tend to follow the logic of appropriateness and provide expanded and continuous training, and in particular personal development-oriented training (Luo, 2006: 225).

In the post-World War II period, personal development training was defined as programs aimed at improving cognitive and behavioral skills in dealing with oneself and others. Such training is intended to develop personal potential and is thus not immediately related to the technical aspects of one's job tasks (Luo, 2002: 195). Personal development training was first given to executives and managers as part of executive/management development programs. Since the 1970s, there has been a sharp increase in the kinds of personal development training offered, with employees from more levels included (Eurich, 1985: 44).

In today's business environment, human resources have been considered as a competitive advantage for corporations in which a new model of human resources training centered on personal development. With regard to the fact that human resources training has been elevated from a cost function to a profit center, the dominant philosophy underlying human resources training has shifted from fitting individuals to specific job tasks toward encouraging personal development.

The motivation for this present study is based on the fact that employee motivation has been a concept attracting special interest but in Turkey no study has been conducted until now examining the relationship between personal development trainings and motivation despite other effects of personal development trainings and other factors effecting motivation were investigated before.

The structure of this paper is as follows. Section two includes the research conducted previously about the relationship between trainings and work motivation. The research question guiding this study is given in section three. Section four describes the methodology used to investigate the possible impact of personal development trainings on employee motivation. In section five, results obtained through the correlation model were given. Finally, section six consists of conclusions, limitations and recommendations for further studies.

The purpose of this study is to fill the gap existing in prior literature by investigating the impact of personal development trainings on employee motivation, and to evaluate whether personal development trainings and employee motivation are related or not.

Literature Review

In the literature, it is possible to find out studies conducted mainly on the relation between human resources management and performance in the firm level and employee level both separately. In this context, personal development trainings have been taken into consideration as well, anyhow there is a limited number of studies addressing the relations between personal development trainings and employee outcomes like motivation, commitment, withdrawal behavior and work performance empirically.

Eurich (1985) investigated education in U.S. industry and business, and the history of business-based education. Reasons for corporate training are identified in this study. It's stated that personal development training was first given to executives and managers as part of executive/management development programs. According to Eurich, since the 1970s, there has been a sharp increase in the kinds of personal development training offered, with employees from more levels included.

Monahan, Meyer and Scott (1994) examined training of employees in terms of a new model of human resources training centered on personal development. According to their study, training programs became more elaborate; and in addition to technical training for workers and human relations training for supervisors and managers, a widening array of developmental, personal growth, and self-management courses were incorporated. Courses of this nature include office professionalism, time management, individual contributor programs,

intrapreneuring, transacting with people, applying intelligence in the workplace, career management, and structured problem solving. Courses are also offered on health and personal well-being, including safe diets, exercise, mental health, injury prevention, holiday health, stress, and nutrition.

According to Bassi, Gallagher and Schroer (1996), human resources training has been shifted from a cost function to a profit center for organizations with the change in its philosophy as encouraging personal development instead of fitting individuals to specific job tasks. They found out that the average US employer spent about 0.9 percent of payroll on education and training.

Pfeffer and Veiga (1999) emphasized people as the most important assets of organizations. According to their findings, training employees initiates both the development of skills and behavioral scripts, in addition to the motivation to apply those skills and behavioral scripts in their in-role-related activities at work.

Campbell and Kuncel (2001), and Wright and Boswell (2002) suggested that development trainings for employees may have a positive impact on both employee's individual performance and organizational performance when based on reflective and systematic planning.

Santos and Stuart (2003) investigated evaluation strategies designed to elicit greater training effectiveness, and explored the influence of trainees' perceptions and work environment factors on this. Drawing on detailed case study findings, they highlighted the importance of management practices, trainees' perceptions of the work environment and systems of reward in explaining behavior change after training.

Guest, Michie, Conway and Sheehan (2003) examined the relationship between human resources management and performance in 366 UK companies using objective and subjective performance measures and cross-sectional and longitudinal data. Using objective measures of performance, greater use of human resources management is associated with lower labour turnover and higher profit per employee but not higher productivity. After controlling for previous years' performance, the association ceases to be significant. Using subjective performance estimates, there is a strong association between human resources management and both productivity and financial performance. The study therefore confirms the association between human resources management and performance but fails to show that human resources management causes higher performance.

According to Lee and Bruvold (2003), investing in employee development is vital in maintaining and developing the skills, knowledge and abilities of both individual employees and the organization as a whole. They contributed to the human resource management (HRM) literature by demonstrating that organizational inducements in the form of investments in employee development can indeed create obligations on the part of the employees to reciprocate in positive ways, which, in turn, may improve our understanding of how 'best practice', high-performance, high commitment, high-involvement and human-capital-enhancing HRM can result in higher organizational performance. In addition, they proposed that investing in employee development may create a dynamic relationship where employees may work harder.

According to Benson, Finegold and Moorman (2004), employees who perceive that their employer provides sufficient and relevant training opportunities might be more reluctant to leave their employer, as they feel obliged to reciprocate the offer provided. Training opportunities may, therefore, serve a general purpose in making the employees feel important and taken care of, in terms of having opportunities to develop.

Wright, Gardner, Moynihan and Allen (2005) investigated the relationship between human resources practices and firm performance. Their study demonstrates that HR practices

are strongly related to future performance, but that they are also strongly related to past performance, causing caution in making any causal inferences.

Boselie, Dietz and Boon (2005) presented an overview of studies performed between human resource management and performance which were published in pre-eminent international refereed journals between 1994 and 2003 (n=104). They regarded employee training and development as one of the most widespread human resources practices. In particular they showed that there are commonalities and conceptualizations in the field of human resources management and performance research.

Deci and Moller (2005), and Kraiger and Ford (2007) argued in their studies that to examine the relationship between employee training and development reactions and employee outcomes, motivation should be studied both as a mediator of how perceptions of training relevancy affect motivation and as a moderator of issues such as how motivation affect willingness to learn.

Luo (2006) mentioned that the growing importance of management gurus and management consulting industry since the 1970s also played an important role in the spread of personal development training where these gurus helped internal management interpret problems.

Kuvaas (2008) examined whether and how the quality of the employee–organization relationship (EOR) influences the relationship between employee perception of developmental human resource (HR) practices and employee outcomes. His findings showed that four indicators of the EOR (perceived organizational support, effective organizational commitment, and procedural and interactional justice) moderated the relationship between perception of developmental HR practices and individual work performance. A strong and direct negative relationship was found between perception of developmental HR practices and turnover intention, but perceived procedural and interactional justice moderated this linkage. No support was found for a mediating role of the EOR indicators in the relationship between perception of developmental HR practices and employee outcomes

Dysvik and Kuvaas (2008) investigated alternative relationships between training opportunities and employee outcomes in the form of task performance, citizenship behavior and turnover intention. They presented both positive and negative implications for the relationship between employee training and development and employee outcomes. At the positive side, they revealed little consistency between demographic variables, perceptions of training opportunities and employee outcomes, suggesting that a diverse mix of employees may react positively toward employee training and development efforts. Nevertheless, at the negative side there is a lack of a direct relationship between perceived training opportunities and employee outcomes, and that this relationship is mediated by work intrinsic motivation.

Kuvaas and Dysvik (2009) investigated alternative relationships between perceived investment in employee development, intrinsic motivation and different facets of work performance. Their findings showed that the relationship between perceived investment in employee development and work effort was mediated by intrinsic motivation.

In summary, it is possible to mention that previous studies did not directly focus on the relationship between personal development trainings as a human resources practice and employee motivation.

Research Question

We formulated the research question for this study as follows: “Is there a relationship between personal development trainings and employee motivation?”

Methodology

In order to carry out this study, a survey was conducted to 81 employees of a small-sized multinational pharmaceutical company through a questionnaire. Prepared questionnaire was distributed to 81 employees which are separated as working in the head office and working in the field. Employees working in the field have received this questionnaire via e-mail and their answers were received as hard copies collected by the regional managers and sent back via courier. The response rate was 94 per cent. Of the respondents, 30 are head office employees and 46 are field employees. 23 are women and 53 are men. Approximately 14 per cent of participants are in the age range of 20 – 30, 74 per cent are in the age range of 31 – 40 and 12 per cent are in the age range of 41 – 50. With regard to work experience, 8 of the respondents have a work experience between 0 and 5 years, 32 of the respondents have a work experience between 6 and 10 years, 21 of the respondents have a work experience between 11 and 15 years, 10 of the respondents have a work experience between 16 and 20 years, and 5 of the respondents have a work experience of 21 years and more. In terms of tenure, approximately 67 per cent of the participants have a tenure between 0 and 5 years, approximately 18 per cent of the participants have a tenure between 6 and 10 years, approximately 11 per cent of the participants have a tenure between 11 and 15 years, and approximately 4 per cent of the participants have a tenure between 16 and 20 years. Distribution according to education level shows that 6 of the respondents are graduates of high school and equivalent, 56 of the respondents are university graduates, 9 of the respondents have the degree of MSc/MBA, and 4 of the respondents have the degree of PhD and MD.

Moving forward from the background information in the literature related to training and motivation, we prepared the questionnaire in order to better understand the causal relationship between personal development trainings and employee motivation. In the preparation of this questionnaire, different questionnaires used in previous studies were investigated. The questionnaire was established considering studies conducted about career development practice as an element of motivation (Kırçı, 2007: 138) and impact of career planning on the motivation of the employee (Yılmaz, 2006: 235).

The questionnaire consists of three parts. First part includes personal information of the participant in which, gender, age, work experience, tenure, education level were included as control variables (Dysvik and Kuvaas, 2008: 150). We added working place as another control variable to determine the impact between head office employees and field force employees separately. Second part including ten items about motivation and third part including ten items about personal development trainings were generated on a 5-point Likert response scale ranging from 1 (strongly disagree) to 5 (strongly agree).

We analysed the reliability of second and third parts of the questionnaire according to both Cronbach's alpha coefficient and intraclass correlation coefficient. These both coefficients were found as 0,702 for the second part, and 0,768 for the third part. Furthermore, Cronbach's alpha coefficient for the whole questionnaire was obtained as 0,806 so that this value is the same for the intraclass correlation coefficient. Cronbach's alpha coefficients and intraclass correlation coefficients both indicate that the reliability is enough to carry out the study.

In order to measure the validity of the study, factor analysis was conducted. Within the scope of this factor analysis, results of both Kaiser-Meyer-Olkin measure and Bartlett's test of sphericity were found statistically significant. These are presented in detail in the tables below.

Table 1: Results of Kaiser-Meyer-Olkin measure and Bartlett's test of sphericity

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,573
Bartlett's Test of Sphericity	Approx. Chi-Square	421,868
	df	190
	Sig.	,000

Results

We used SPSS 17.0 to test the hypothesis. Dependent variable is employee motivation and independent variable is impact of personal development trainings. In fact, we separated the sample of this research into two major groups as employees working in the head office and employees working in the field. We performed the T test and according to the outcomes of this test we observed that in 17 of 20 items, means are above 4 and in one item mean was obtained as 3,97. These values were determined as certain indicators to support the hypothesis. Details of the T test we gave in the table below.

Table 2: Outcomes of the T test

	N	Mean	Std. Deviation	Std. Error Mean
I think to develop my job.	76	4,7763	,41948	,04812
I join courses and seminars to do my job better.	76	4,5395	,55235	,06336
I have information about the developments in my company.	75	4,3600	,65016	,07507
I follow innovations and developments related to my field of work.	76	4,6053	,49204	,05644
If I'm told to have a good job done, I would like to work more and succeed.	76	4,7237	,53163	,06098
I reward myself, when I finish a project.	76	4,1711	,77267	,08863
I endeavor to do the best when a task is given to me.	76	4,8816	,32525	,03731
Goals that I set for myself are difficult but not impossible.	76	4,4474	,64072	,07350
Even my knowledge and experience are less to perform a job, I don't hesitate to take the task for reaching success.	75	4,3200	,75624	,08732
In order to achieve the goals set, I take action voluntarily, without waiting for the instruction of my chief.	76	3,9737	1,01946	,11694
My personal development is important for me.	76	4,8684	,34028	,03903
I think that my development is a need.	76	4,7105	,45653	,05237
I think that training is a requirement in terms of personal development.	76	4,6316	,56195	,06446
Personal development trainings are important in terms of harmonizing the goals of the company and the goals of the employee.	76	4,5132	,66319	,07607
The company I'm working for provides me the opportunity to join personal development trainings. (*)	76	3,5789	1,14616	,13147
Personal development increases the individual's skills for his business.	76	4,3816	,76537	,08779
Promotion possibilities in his job increase for the individual through personal development.	75	4,2267	,79820	,09217
Personal development trainings increase employee's motivation by developing his skills and abilities.	76	4,4868	,55362	,06350
I think that personal development trainings are utilized as a tool to increase motivation in my company. (**)	76	3,6447	1,18551	,13599
It is important to know that studies I perform to develop myself are supported by my company.	76	4,5000	,75719	,08686

Nevertheless, it seems to be possible to differentiate two items with mean values below 4. These are the items in which the opportunity given by the company to join personal development trainings and usage of personal development trainings as a tool to increase

employee motivation in the company were asked. We analyzed obtained outcomes of these both items using Levene's test for equality of variances. By applying this test, the null hypothesis was formulated as variances in the answers of both groups are equal. For the item about the opportunity given by the company to the employee to join personal development trainings, F value was obtained significant as 2,892. In addition to this, p value as 0,093 being greater than 0,05 indicates the acceptance of the null hypothesis. Secondly, for the item about usage of personal development trainings as a tool to increase employee motivation in the company, F values was obtained again significant as 4,103, and p value as 0,046 being less than 0,05 shows that the null hypothesis is to be declined.

In addition, if we evaluate the outcomes according to the seniority ranges we have specified for the employees, it is possible to find out that the mean value is the lowest for the seniority range as 11 to 15 years for both items regardless of workplace.

Conclusion

With regard to obtained outcomes of T test, it is possible to point out that there is a relationship between personal development trainings and employee motivation which tends to be strongly positive. However, obtained mean value of the answers given to the item about the opportunity given by the company to the employee to join personal development trainings indicates that employees are not totally sure of that the company is providing them opportunities to join personal development trainings. But at this point, a certain differentiation is observed between perceptions of employees working in the head office and in the field. According to the employees working in the head office, less opportunity is given by the company to the employee to join personal development trainings compared to the perception of employees working in the field.

In fact, we observed a similar situation through the evaluation of the answers given to the item about usage of personal development trainings as a tool to increase employee motivation in the company. Again we can speak of a differentiation between the perceptions of employees according to their workplaces. Employees working in the head office think that personal development trainings are less used as a tool to increase motivation compared to employees working in the field.

This study presents a positive implication for the relationship between personal development trainings and employee motivation, anyway the main limitation of this study is that it was performed within only one small-sized multinational company in the Turkish pharmaceutical sector. In addition to this, evaluation of the outcomes was made according to workplace as main descriptive only.

As recommendations for future studies we can state that this study can be expanded by conducting it in other companies additionally, even by investigating the results to be obtained between the employees of local and multinational companies. An expansion to other companies in the pharmaceutical sector could make it possible to conduct this study with larger samples, to retrieve more data to analyze and generalize the impact accordingly. Furthermore, answers might be evaluated in a more detailed manner according to organizational levels, positions as managerial and non-managerial, and functions of participants.

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