

RELATIONSHIPS AMONG TRAINING, EMPLOYEES' PERFORMANCE, SATISFACTION, AND TURNOVER

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Abstract:

Training and personal development programs (TPDPs) positively impact the employees' skills and knowledge, impelling the organizational performance. Thus, TPDPs are responsible for improving overall performance, productivity, and profitability. In this paper, we approach relationships among training, employees' performance, satisfaction, and turnover within private and public organizations in Romania from an empirical point of view. We used structural equation modeling (SEM) to determine the relationships among research variables, obtained by applying a questionnaire to employees of organizations that have conducted TPDPs. The research results show a positive influence of TPDPs on employee performance and satisfaction and a negative influence on employees' turnover rate.

Keywords: *training, personal development, performance, satisfaction, turnover rate*

1. Introduction

To continue to be competitive in an increasingly globalized economy, organizations give growing priority to the continuous learning of employees to improve their skills and competencies (Beardwell and Claydon, 2010). Employees' skills and knowledge represent an asset for organization (Dessler, 2019). As organizations develop growing its size and intricacy, the challenges in training domain and need of FPDPs increase. Globalization and digitalization have created a huge gap in skills and knowledge (Bocean, 2007a). In addition, changing market demands and persistent labor processes involve constant changes in the skills needed for an organization's activities (Armstrong, 2014). These challenges have

amplified the pressures facing organizations. Many organizations use TPDPs to fill the skills gaps needed for organizational activities (Weaver et al. 2010; Bocean and Sitnikov, 2015).

After an introduction and literature review that presents the theoretical foundation of the research, the research methodology, results and discussions are presented. Finally, the conclusions of the research are exposed.

2. Literature Review

Training offers employees the opportunity to acquire skills, flexibility, and adaptability (Barbu and Barbu, 2012). Therefore, training has a positive influence on directly influences the skills which determine professional satisfaction generating professional performance and diminishing employees' turnover. Following the literature research, we found a positive correlation between TPDPs and the following variables: professional performance and job satisfaction and a negative correlation of these variables with the employees' turnover. The theoretical model which underlies empirical research is presented in figure 1.

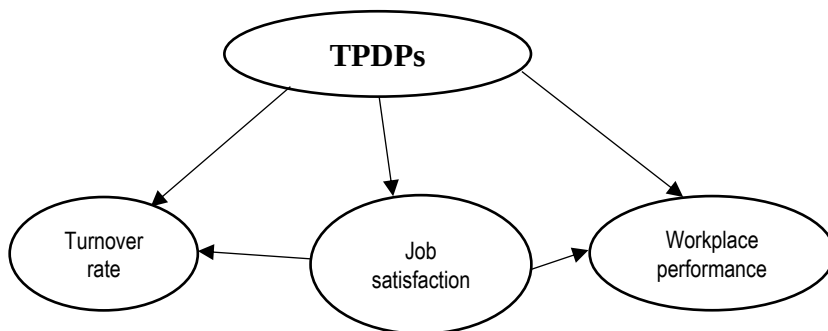


Figure 1. The theoretical framework TPDPs relationships with output measures

Source: Adapted from Ryan (2009), Donald (2009)

The positive relationship between TPDPs and performance (Drake-Knight, 2012) results from increased employee skills and abilities, which gives them self-confidence, a higher level of productivity, and increased performance. Latham's (Wexley and Latham, 1991) theory of goal setting shows that setting challenging goals can increase performance. Employees are aware that the purpose of the TPDPs is to acquire skills to achieve the goals set by an organization (Bocean, 2007b).

When employees are engaged in training programs, they obtain skills and knowledge, which determine an increased productivity and efficiency (Bocean, 2015). This leads to increased self-esteem and morale, which determines professional satisfaction (Ryan, 2009). It has been established that TPDPs are significantly associated positively with job satisfaction, which implicitly determines an increased individual performance (Donald, 2009). The two variables of work outcome are mutually reinforcing, job satisfaction generating a continuously improving performance (Georgellis and Lange, 2007). Proper TPDPs make

employees happier in their profession, and they feel appreciated by their employers. Molina and Ortega (2003) established that training could positively affect performance by increasing employee satisfaction. Job satisfaction generated by TPDPs, is a critical factor for employees' turnover rate.

3. Research design and methodology

The paper aims to identify and analyze relationships among training, employees' performance, satisfaction, and turnover within private and public organizations in Romania. In order to investigate and explore employees' perceptions of the effects of TPDPs on employees' performance, satisfaction and turnover, we conducted a qualitative survey, based on a sample of 127 employees, who work in four organizations from Argeş County.

The tool used to investigate the perceptions of subordinate employees on the effects of TPDPs is represented by a questionnaire that includes general variables, variables on TPDPs, and variables on performance, job satisfaction, and employees' turnover). Therefore, the sampling method used was stratified sampling based on the socio-demographic structure of the sample. In order to achieve the objective of the research, we formulated the following hypotheses: H1. TPDPs positively influence employee satisfaction and performance and negatively turnover rate. H2. Employee satisfaction positively influences employee performance, exerting a robust mediating effect between TPDPs and performance.

The research design first involves an analysis of the correlations and structural equation modeling to identify the nature of the relationships among the variables selected for the research.

4. Results and discussion

The first stage of the research involved an analysis of the correlations that are established between the research variables. In this sense, we aggregated the individual items to obtain the aggregate variables selected for research: TPDPs (13 items), satisfaction (5 items), performance (5 items), and turnover (4 items). The correlations of the aggregate variables are shown in Table 1.

Table 1

Analysis of correlations among variables selected for research

		TPDPs	Satisfaction	Performance	Turnover
TPDPs	Correlation	1	0.349	0.356	0.143
	Sig.		0.000	0.000	0.157
	N	99	99	99	99
Satisfaction	Correlation	0.349	1	0.149	0.218
	Sig.	0.000		0.141	0.031
	N	99	99	99	99
Performance	Correlation	0.356	0.149	1	-0.088
	Sig.	0.000	0.141		0.388
	N	99	99	99	99
Turnover	Correlation	0.143	0.218	-0.088	1
	Sig.	0.157	0.031	0.388	
	N	99	99	99	99

From the correlation analysis, we can observe a strong link between TPDPs, performance, and satisfaction and an inconclusive relationship between TPDPs and employees' turnover. However, between satisfaction, on the one hand, and performance and turnover, on the other hand, there are no robust correlations at the level of the selected sample, given that the employees involved in the research are employed in public services.

To deepen the research, we performed an analysis using the structural equation modeling in SmartPLS v3.0. The conceptual model applied to the sample level is illustrated in Figure 2.

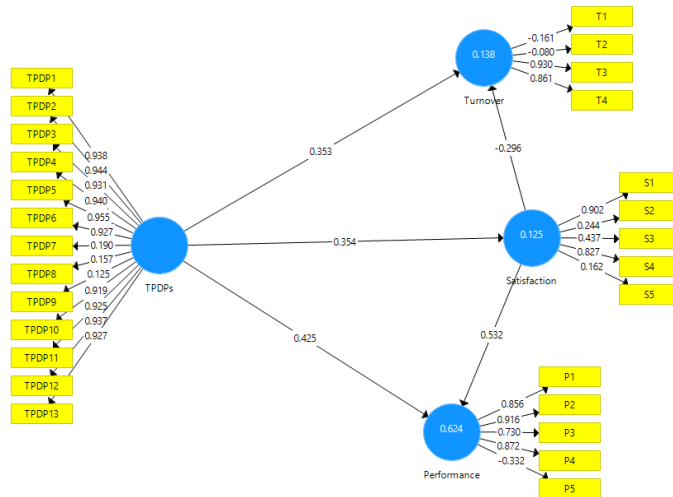


Figure 2. The conceptual framework applied to the selected sample

In order to increase the significance of the model, we eliminated items that do not have a load of more than 0.7, resulting in a model with a higher level of significance (figure 3).

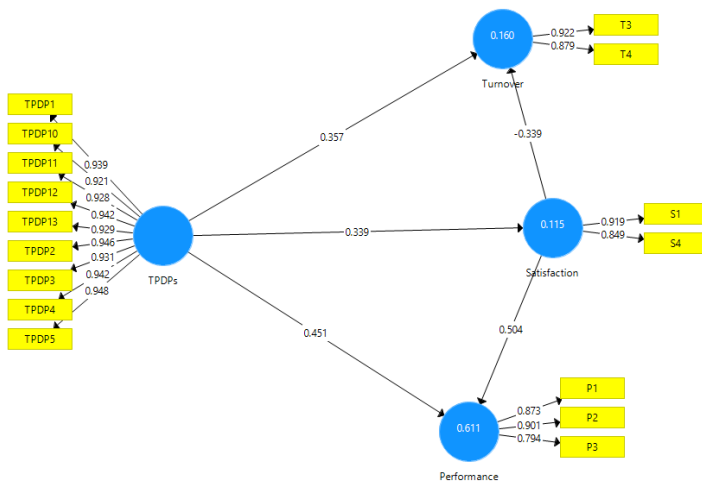


Figure 3. The applied framework

Analyzing model fit, we observe that SMSR is 0.73 (lower than 0.08) and NFI is 0,957 (above 0.9). The reliability and validity analysis indicates a solid research model (table 2).

Table 2
Analysis of correlations among variables selected for research

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Performance	0.818	0.816	0.892	0.735
Satisfaction	0.727	0.769	0.878	0.782
TPDPs	0.982	0.983	0.985	0.877
Turnover	0.770	0.793	0.896	0.811

From the analysis of the relationships established within the model, we can observe positive relationships among TPDPs, employee satisfaction, performance, and turnover rate. Thus, hypothesis H1 is partially validated given the existence of slightly positive relationships between TPDPs and turnover. These relationships can be explained by the formalization of TPDPs within public service organizations. Employees who benefit from these programs have a higher level of competence which increases their appetite to leave the organization for higher reward levels.

The relationships established among the researched variables are shown in table 3, which contains path coefficients within the model.

Table 3

Path coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O /STDEV)	P Values
Satisfaction -> Performance	0.504	0.505	0.106	4.742	0.000
Satisfaction -> Turnover	-0.339	-0.347	0.094	3.609	0.000
TPDPs -> Performance	0.451	0.452	0.097	4.628	0.000
TPDPs -> Satisfaction	0.339	0.342	0.102	3.318	0.001
TPDPs -> Turnover	0.357	0.356	0.085	4.187	0.000

From the analysis of table 3 can be seen a strong positive influence of satisfaction on employee performance.

Table 4

Indirect effects

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O /STDEV)	P Values
Satisfaction -> Performance					
Satisfaction -> Turnover					
TPDPs -> Performance	0.171	0.175	0.068	2.529	0.012
TPDPs -> Satisfaction					
TPDPs -> Turnover	-0.115	-0.116	0.042	2.728	0.007

From Table 4 we can, also, conclude that there is an indirect effect of TPDPs on employees' turnover, this effect being negative.

The strong satisfaction mediation effect is illustrated in Table 5, resulting in a significant overall effect of TPDPs on performance (0.622). Based on these findings, we can say that the H2 hypothesis is validated.

Table 5

Total effects					
	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Satisfaction -> Performance	0.504	0.505	0.106	4.742	0.000
Satisfaction -> Turnover	-0.339	-0.347	0.094	3.609	0.000
TPDPs -> Performance	0.622	0.627	0.076	8.156	0.000
TPDPs -> Satisfaction	0.339	0.342	0.102	3.318	0.001
TPDPs -> Turnover	0.242	0.240	0.099	2.459	0.014

5. Conclusions

The relationships between TPDPs and organizational performance is still a matter of debate. Moreover, organizations tend to see TPDPs as a cost, not an investment. Therefore, a significant investment in TPDPs does not regularly lead to a proportional improvement in the organization's performance and profits due to the lack of effective management of TPDPs.

The indirect link between TPDPs and the improvement of organizational and individual productivity is emphasized by motivational theories. In addition, human capital theory discusses processes related to TPDPs to instill hard-to-imitate skills in employees that assist competitive advantage, increase employee performance, and endorse organizational performance.

TPDPs can contribute to organizational effectiveness by motivating employees to support organizational efforts to achieve the organization's overall objectives. Employee development is a way to prepare employees to perform specific tasks to improve their performance. As a result, TPDPs are positively and significantly correlated with job satisfaction, individual performance influencing most performance indicators. In addition, training and development lead to employees' growth, employees being most likely determined to stay in the organization.

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