

**EMPLOYEE TRAINING AND MOTIVATION AS THE
PREDICTORS OF JOB PERFORMANCE: EMPIRICAL EVIDENCE
FROM INDIAN INSURANCE SECTOR**

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Abstract

In a present complex and competitive scenario, organizations need to retain talented and competent employees who perform excellent work in a congenial environment. Insurance industries are taking important steps to improve human resource and to achieve organizational success. The purpose of the research is to examine the positive and significant impact of training and employee motivation on the job performance in the context of insurance sector. Three variables were being examined, which includes employee motivation, and training as an independent variable and job performance as a dependent variable. For this purpose data was collected from one hundred fifty employees from various two insurance companies in India especially Delhi through questionnaires. Data from target respondents was analyzed in the form of descriptive and reliability analysis. Reliability test was applied to validate questionnaire. Multiple regression was applied to find the impact of independent variables on dependent variable. Findings of the study revealed that employee motivation and training have a positive and significant impact on performance of employees. Our study provides a refresh insight of the positive influence of training practices for increasing employees' capabilities. This study has several managerial implications and directions for future research.

Keywords: Employee motivation, insurance sector, job performance and training.

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1. Introduction

In today's global dynamic era organizations are forced to function effectively in changing conditions and under various complications, so it becomes necessary for companies to have the qualified employees at the right job and at the right time in order to survive the surrounding competition. The prosperity and success of any organization depends on the skilled and well experienced workforce of that company. So training is considered as a fundamental and effectual instrument in accomplishment of organizational objectives. A profound training program acts as a vehicle to enhance employee skills and enable them to perform better in their job. It is an appropriate tool for performance enhancement and considered as a prominent factor for any organizational strategy. It is a part of an integrated system where the performance is measured against criteria. The main objective of training programs is to enhance the employee capabilities and organizational capabilities.

When any organization invests in updating the knowledge and skills of its employees, the investment is returned in the form of efficient and productive work force. Training programs may be focused on individual performance or team performance. Training provides an opportunity for employees to learn their job virtually and perform the task more competently. In this global and technological world, new learning and training methods are arising due to the modern-day revolutionization in the economic world of workforce. These changes demand to put old theory and principles behind for conducting more flexible, integrated, global and vocational training.

1.1 Training

Training is a performance development process to foster learning new techniques and methods, to perform job with fullest efficiency and effectiveness. Training is a key element for improved performance;. Recent researches reveal that training enables most organizations meet their goals and objectives. In doing so employees are able to learn new work concepts, refresh their skills, improve their work attitude and boost productivity. The primary aim of any training programme is to provide a new set of KSAs (knowledge, skills and abilities), behaviour or attitudes to the employees of an organization. Training facilitates upgrading of knowledge, bringing about attitude and behavioural changes, and improving the ability of the trainee to perform tasks effectively and efficiently in organisations (Wills, 1994; Palo et al, 2003; Robert et al, 2004). Training is also considered as a useful weapon for coping with changes fostered by technological innovation; market competition, organizational structuring.

1.2 Job performance

Job performance is referred to “as individual employees accomplishing their respective work goals, meeting their expectations, achieving job targets and/or accomplishing a benchmark set by their organizations”. (Eysenck, 1998; Maathis & Jackson, 2000; Bohlander et al., 2001). When the training results in improvements in relevant knowledge and the acquisition of relevant skills, then the employee performance is improved towards the attainment of goals to the job. (Baldwin & Ford, 1988; Salas et al., 1999). Training can be evaluated through performance of employees by measuring the extent, to which trainees applied their learning on the job or by measuring the impact of a training program on working unit or department. Training plays a vital role, improving performance as well as increasing productivity, and eventually putting companies in the best position to face competition and stay at the top.

1.3 Motivation

(Burke & Hutchins, 2007) defined training motivation as the “intensity and persistence of efforts that trainees apply in learning-oriented improvement activities before, during, and after training. Motivation to transfer reflects the trainee’s desire to use knowledge and skills that have been learned in the training programme to the job (Axtell et al. 1997). Systematic training enables an opportunity for learning and these learning processes depends upon many factors such as the design of the training programme, the motivation and learning style of the trainees and the learning environment of the organization. A person with high level of motivation to learn knowledge and skills boost his or her will to overcome discouraging learning factors. Therefore, an individual willingly learn new skills from training activities. This results an increase in commitment level of employees in order to improve his/her attitude and behaviour in the workplace. (Guerrero & Sire, 2001).

2. Objectives of the study

1. To standardize a questionnaire on training, employee motivation and job performance.
2. To identify factors underlying training, motivation and job performance.
3. To study the impact of training programs and employee motivation on job performance.
4. To test the hypothesized model.
5. To open new vistas for further research.

3. Review of literature

Krueger and Rouse (1998), examined the significant impact of training and organization education programs on various organizations. He examined productivity, satisfaction, performance, absenteeism. He focused more on the training programs and its relationship

with employee commitment and clarified the impact of training on employee commitment and employee turnover. Although from the review of previous research, the evidence show that training improves individuals' knowledge, skills, and attitudes, and job performance, output and quality of work (Arthur et al., 2003; Burke & Day, 1986; Guzzo et al., 1985).

Dr. Harsh Dwevidi and Ona Ladiwal (2011), explored that the training practices used by the Indian organizations for effective utilization of its human resources and for making its employees productive, competent, knowledgeable. Similarly Dr.Santosh Singh Bais (2011) studied the HRD climate, training and development and performance appraisal system prevailing in the Life Insurance Corporation (LIC) of India. He stated that skilled human force is build by training and this is done by way of investment in education and training of the labour force. The climate of any organization gains priority over other HRD sub systems. Subhash C. Kundu and DivyaMalhan (2009) examined the human resource practices in insurance companies in India. For this purpose two hundred eighteen respondents were analysed from four insurance companies. Findings revealed six factors such as Training and benefits were found highly in practice in the insurance companies. HR planning and recruitment, selection and socialization of employees and performance appraisal were moderately practised in insurance companies competitive compensation and Workforce diversity and contemporary human resource practices were also practised to some extent. Herman Aguinis and Kurt Kraiger (2009) determined the benefits of training and development for individuals, teams, organizations, and society. They identified the conditions under which the benefits of training are maximized by reviewing the literature on need analysis, training design and delivery, evaluation. For this purpose they adopt a multidisciplinary, multilevel, and global perspective to demonstrate training and development activities in work organizations.

Alexandros G. Sahinidis, John Bouris, (2008) examined the relationship between perceived employee training effectiveness and job satisfaction, motivation and commitment in five large Greek organizations. For this purpose, responses of one hundred thirty four employees and lower managers of these organizations were examined after they had attended a training program. The results of the study indicated that there is a significant correlation between the employee perceived training effectiveness and their commitment, job satisfaction and motivation. This study is significant for managers' especially human resource managers for funding, designing and delivering training interventions. Konings & Vanormelingen, (2009), reported that training is a fundamental and effectual instrument in successful accomplishment

of the firm's goals and objectives, resulting in higher performance and productivity of the organization. Tziner et. al. (2007) examined the training by studying six employee characteristics such as conscientiousness, self-efficacy, motivation to learn, learning goal orientation, performance goal orientation, instrumentality and one work environment characteristic that is transfer of training climate. The findings of the study revealed that motivation to learn and learning goal orientation are found to contribute most to predicting training outcomes. De Meuse, Hostager and O'neill (2007) assessed the effectiveness of workplace diversity training on employee performance. The result indicated that workplace diversity training had a positive impact on the employees.

Raja Abdul Ghafoor Khan, Furqan Ahmed Khan, Dr. Muhammad Aslam Khan (2011) assessed the influence of training, on the job training, training design and delivery style on organizational performance and found that training and development, on the job training, training design and delivery style have a positive and significant impact on organizational performance. It means these factors were helpful in enhancing the overall organizational performance. Zahid Hussain Bhat (2013) analysed the relationship between training and its impact on employee performance in banks. Several measures of employee's job performance were analyzed including compensation, performance appraisal, and organizational commitment. He stated that training is a motivational factor that increases the knowledge of the employee for doing a particular task and by which employees become proficient in their jobs and become able to give sound results. Training enhances organizational performance by increasing employees' collective attitudes and motivation, behaviour (especially performance-related behaviours), and human capital (KSAs, competencies). (Quinones, 1997) referred training motivation as a key variable in linking training characteristics to training outcomes. Locke and Latham's (1990) goal setting theory determined that goals direct individuals to perform a task. When this theory applied in training management, it shows the ability of a supervisor to analyse the needs of employees and then set the objectives to meet these needs. They also provide clear explanations about the procedures of attaining the goals. Therefore this strongly increases employees' motivation to learn. Consequently, it may lead to increased job performance (Mathieu et al., 1992; Goldstein & Ford, 2002). Second, Wood and Bandura's (1989) social learning theory (SLT) revealed that self efficacy reinforces individuals' performance. When this theory applied in training programs, it describes the ability of a supervisor to encourage employees learning a proper technique and providing clear explanations about the procedures of attaining the goals. Therefore, this strongly increases employees' motivation to learn. As a

result, it may lead to increased job performance (Brown et al., 2001; Goldstein & Ford, 2002).

(Goldstein & Ford, 2002) studied training motivation and the effect of individual factors on training outcomes and found that there were differences in the amount of training motivation among different trainees, and that was related to the success of the trainees in the subsequent training program. Facticeau and colleagues (1995) conducted a study with an objective to demonstrate the link of training motivation to training results. They also examined the specific components of training motivation (e.g. motivation to learn) and considered it as an influencing factor for training outcomes. Motivation to transfer is considered as an emergent aspect of transfer of training to workplace. (Chiaburu et al 2010) stated that “when an employee is motivated and enthusiastic to apply knowledge on work place and enhances his performance, the training will be fruitful and effective”. Grossman and Salas (2011) introduced the concept of motivation in order to improve the work through learning. Authors stated that motivation to transfer had a strong relationship with training outcomes. They also identified motivation to transfer as one of the strongest predictor of transfer of training. Past researches provides the evidence regarding the positive affect of training programs on both employee and organizational performance. Training has direct relationship with the employees’ performance and a significant relationship was found between the employees training and their resultant performance.

4. Rationale of the study

In the above literature, strong emphasis is placed on the significant importance of training and motivation, and the positive association between training and employee job performance. Thus, both training programs and motivation are commonly noted as a crucial prerequisite for increasing capabilities of employees. The primary contribution of this study is in its design, which allows for a more accurate assessment of variable effects and relationships. Second contribution of this study is in the way that the data were aggregated. The present study attends to explore the positive effects of learning and motivation on employee performance and seeks to explain the significance of all the variables. Hence this study is rationale for measuring the combined impact of both the independent variables on the dependent variable in the insurance sector of India.

Hypothesis

H_A: There is positive and significant impact of training programs and employee motivation on job performance.

PROPOSED MODEL

Independent variables

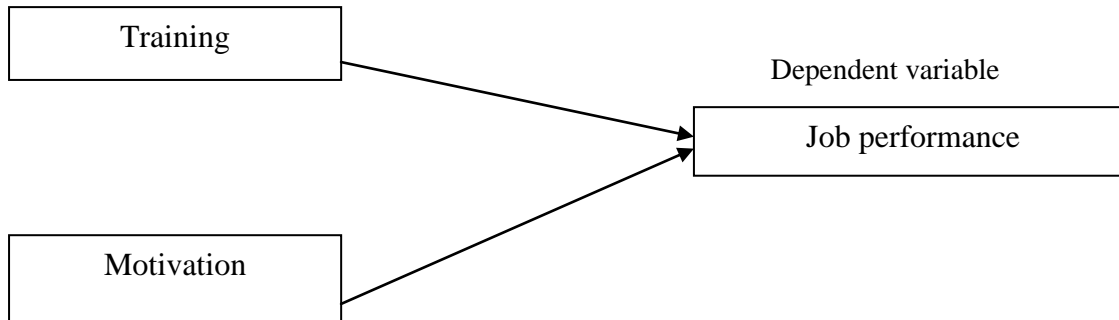


Figure: 1 Model shows the relationship between the variables

5. Research methodology

5.1 Study and Sample: The study was quantitative, in nature where survey method was used to collect the data. The population included employees of insurance sector of Delhi region. The data was collected from employees of insurance industry, which includes life insurance Corporation of India and general insurance. We took sample of one hundred twenty five employees.

5.2 Collection of Data: Data was collected through self administered questionnaire. The responses taken on the Likert type of 1 to 5 scales where 1 represents strongly disagree and 5 represents strongly agree.

5.3 Tools Used for data Analysis: Cronbach alpha was applied to assess reliability. To ensure construct validity exploratory factor analysis was employed. The relationship between the variables was established through Linear Regression.

6. Findings of the study:

6.1 Reliability: Cronbach’s alpha was computed using SPSS scale reliability programme

Table 1: Reliability analysis

| Factor | Cronbach’s Alpha |
|---------------------|------------------|
| Training | .877 |
| Employee motivation | .764 |
| Job performance | .832 |

All the values of both the variables are greater than 0.7 so it could be used in this study.

6.2 Factor analysis

6.2.1 Factor analysis for training

The Kaiser-Meyer-Olkin Measure of Sampling Adequacy value for training measure was 0.786 indicating that the sample was adequate to consider the data as normally distributed. The Bartlett's Test of Sphericity was tested through Chi-Square value which was found to be 338.553 significant at 0% level of significance; indicating that the inter-item Correlation matrix was not an identity matrix and therefore the data collected on this measure was suitable for factor analysis.

Table 2: KMO and Bartlett's Test for training

| | | |
|--|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .786 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 338.553 |
| | Df | 45 |
| | Sig. | .000 |

The Principle Component Analysis with varimax rotation and Kaiser Normalization converged on three factors named as management support, effective training system, opportunity for promotion. (Table 2)

6.2.2 Factor analysis for motivation:

Table 3. KMO and Bartlett's Test

| | | |
|--|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .738 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 367.988 |
| | Df | 45 |
| | Sig. | .000 |

The Kaiser-Meyer-Olkin Measure of Sampling Adequacy value for the motivation measure was 0.738 indicating that the sample was adequate to consider the data as normally distributed. The bartlett's Test of Sphericity was tested through Chi-Square value which was found to be 367.988 significant at 0% level of significance; indicating that the inter-item Correlation matrix was not an identity matrix and therefore the data collected on this measure were suitable for factor analysis. The Principle Component Analysis with varimax rotation

and Kaiser Normalization converged on two factors named as desire to learn and reinforcement.

6.2.3 Factor analysis job performance:

Table 4. KMO and Bartlett's Test

| | | |
|--|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .769 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 398.978 |
| | Df | 45 |
| | Sig. | .000 |

The Kaiser-Meyer-Olkin Measure of Sampling Adequacy value for the motivation measure was 0.769 indicating that the sample was adequate to consider the data as normally distributed. The Bartlett's Test of Sphericity was tested through Chi-Square value which was found to be 398.978 significant at 0% level of significance; indicating that the inter-item Correlation matrix was not an identity matrix and therefore the data collected on this measure were suitable for factor analysis. The Principle Component Analysis with varimax rotation and Kaiser Normalization converged on three factors named as increased efficiency, competency and quality of work.

6.3 Multiple Regression

Multiple Regression values for training practices and employee motivation as independent variables and job performance as dependent variable:

Table 5. Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .820 ^a | .746 | .744 | 4.17888 | .746 | 325.849 | 2 | 122 | .000 |

a. Predictors: (Constant), training practices, employee motivation

b. Dependent Variable: Job performance

Table 6: Coefficients

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 3.146 | 1.489 | | 2.187 | .031 |
| | Training | .525 | .148 | .425 | 3.615 | .000 |
| | Motivation | .538 | .130 | .505 | 4.294 | .000 |

a. Dependent Variable: Job performance

The Model summary table indicates that the value for training practices and employee motivation explained 74.4% variance in the job performance as indicated by adjusted r^2 value of 0.744.

$$Y = a + bx + cx$$

$$Y = 3.146 + .525X_1 + .538X_2 + \text{Error}$$

Where, X_1 = Training practices (independent variable)

X_2 = employee motivation (independent variable)

Y = Job performance (dependent variable)

The Result of regression is indicated in the coefficient table indicates that values for training practices and motivation have significant relationship with employee job performance having beta values of .425 and .505 which were significant at .000 and .000 level of significance as indicated by t-value of 3.615 and 4.294 respectively. So we can conclude that there is significant impact of training practices and employee motivation on job performance. Hence hypothesis of our study has been accepted.

7. Implications of Study: The results of this study have contributed to the body of knowledge in the field of employee response behaviour in the insurance sector of India. Our study discovered the positive and noteworthy association between the training and employee performance. Theoretically speaking, the results showed a significant relationship between sound human resource practices and job performance. There are few practical indications that we can draw from this study for academicians, researchers and various service industries. For researchers, it acts as a knowledge base for further studies related with this topic. For service industry the result will provide a great help in formulating certain policies for increasing employee capabilities and improving job performance. It provides guidelines to enhance employee satisfaction and for making sound workplace environment.

8. Limitations of the study: This study has some limitations, firstly this study examined relationship between training practices and job performance it took only some dimensions under each variable. Secondly the study was done on few cities of India, all cities were not covered in it, and so the generalization of the results and findings are not warranted. Thirdly, the data was collected within a period of time, so the findings are confined for a particular period and cannot be generalized for longer period of time. Fourthly, we applied multiple regressions but if other measurement versions were used, then the result would be different.

9. Future research: Future work can overcome limitations of the present study in terms of number of respondents and focusing on the whole state; it will help in generalizing the findings of the study. Secondly, future studies can be extended towards the exploration of relationship among the training and performance with intervening variables like workplace environment, promotion policy, employee benefits etc. Thirdly, future studies can be done with semi governmental and private sectors in insurance industry. In short, further studies can investigate the extent to which training opportunities are seen as a message that the organization cares, that can be a powerful and important message in today's competitive world plagued by downsizing and employee layoffs.

10. Conclusion

Given competition and market related pressures, organizations need to realize the benefits of training. The benefits of training may have a cascading effect, such that individual-level benefits affect team-level benefits, which in turn affect organizational profitability and societal outcomes. Learning new skills or change in behaviour are examples of trainee benefits and higher productivity, increased sales, and satisfied customers are examples of organizational benefits. Training effectiveness refers to the benefits that the organization and the trainees receive from training facilitates the updating of skills and leads to increase commitment, well-being, and sense of belonging, thus directly strengthening the organization's competitiveness. By the help of training employees become proficient in their jobs and they become able to give better results.

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