Investigating the Effect of Training on Employees’ Commitment: An Empirical Study of a Discount House in Nigeria

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ABSTRACT

There has been a turn around and the take up of training as one of the key factors in improving company competitiveness. Evidence derived from research showed that there is now a broad agreement amongst commentators that skills training improve employees’ commitment to the organisation. Training from a company’s perspective adds to human capital and also a means of securing workplace commitment. The theoretical proposition therefore is that training will get employees more committed to the organisation. Organisational commitment when combined with job related behavioural commitment will lead to organisational performance. In order to achieve a high level of performance, organisations now require highly motivated and committed workers. This paper explored the relationship between training and employees’ commitment to the organisation. The organisation on which the research was conducted is a Discount House in Lagos, South West Nigeria. The total of 150 completely filled questionnaires was utilised in this study. A regression analysis was conducted on the data collected. The study revealed that the training increases employee’s commitment to the organisation.

Keywords: Organisational Commitment, Employees’ Performance, High Performance Work Practices, Human Resource Management.

INTRODUCTION

The role of human resource management in enhancing organisational performance has attracted so much research attention, although a widely accepted definition of HRM does not exist, Storey (2001) defined HRM as a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of highly
committed and capable workforce. The general theory about human resource management has been centred around issues like quality, commitment and performance. Quality according to Storey (2001) can be achieved by training employees in required skills. Training is central to the development of work system that aims to increase the contribution of the employees to the production process (Brown et al., 1994 and Keep, 1991). New work practices involve workers becoming more skilled, pro-active and committed (MacDuffie and Kochan, 1995). For this to be achieved, both new and existing employees will need to be the trained. Santos and Stuart’s (2003) in their studies on the benefit of training for organisations, assumed a direct connection between training strategy, hierarchy of performance, learning, behavioural change and performance influence.

Training and development is one of the modern management approaches in HRM. Emerging literatures have shown that the investment in human capital such as training is positively related to organisational performance. That is, training is expected to reduce turnover, and increase employee’s commitment, which will result in longer employment duration. According to Keep (1989), training is a ‘vital component’ in organisational process of cultural change, a behavioural device that can be used to secure workforce commitment and to realise the potential of employees. For instant, Keep (1989) identified training and development investment as key determinants of organisational performance and economic growth. Conventional wisdom also suggests that investment in training and development are associated with a range of individual and organisational benefit. The clear assumption is that the more the training given to employees, the better (Santos and Stuart, 2003).

Training has been a subject of debate with various functions and definitions given to it. To some training is the ability of an organisation to develop skills and knowledge to do present and future job (Guest 1997) and to others it is an important employee motivator (Barret & O’Connell 2001). Different literatures have suggested that the development of a firm’s human capital can provide a sustainable source of competitive advantage for the firm (Olson and Schwab, 2004).

However, training from a company’s perspective adds to human capital and also a means of securing workplace commitment. Although the bottom line for most training and development activities is to improve organisational performance, studies have shown that most organisations devote little attention to the evaluation of training effectiveness. Keep et al., (2002) argue that investing in training constitutes a powerful signalling device to reassure employees that they are valued by their employers, which in turn enhances their commitments to the organisation.

**Employees’ Commitment**

There is no general agreement as to what can increase an employee’s commitment to the organisation. Most of the conceptualization of commitment used in most of the American studies reflects more of managerialist and unitarist outlook (Guest 1997). Other labels such as high commitment (Guest et al., 1993), lean production (MacDuffie & Kochan, 1995), security employee involvement (Guest et al., 2000) have been given, even though most of them have focused on effective work management. Commitment according to Jaw and Liu (2004) is not only a human relation concept but also involves generating human energy and activating human mind. Without commitment, the implementation of new ideas and initiatives will be compromised (Ramus and Steger 2000 cited in Jaw and Liu 2004). Human resource system can therefore facilitate the development or organisational competencies through eliciting employees’ commitment to the firm (Arturh,1994). That is, organisations that have a fit with business strategy, structure and practices and policy will perform better. Walton (1995) prescribed “commitment” as a distinctive strategy for HRM whose positive effect will be felt.

Organisational commitment is a psychological strength of an individual’s attachment to organisation. Arturh (1994) reported a positive impact of using high commitment human resource practices in managing firms’ productivity and retention. Real commitment fosters a high level of individual learning, whereby the individual puts the organisation’s need in
This could also enhance cooperative team work to facilitate transfer of individual learning (Argyris, 1998). Committed individuals align and mobilise themselves in actions directed at attaining organisational objectives, and they also share organisational values. Jaw and Liu (2004) said that organisational learning is aimed at ensuring that the organisation has competent employees with skills required to perform well. A learning organisation makes use of best HRM approach so as to achieve positive learning attitudes, empowerment, encouraging commitment, comprehensive training and performance emphasis. Firms that aspire to be learning organisations teach their employees how to learn, share information and also reward them for doing so. Most academic research on human resource management practices suggested that employees’ commitment will increase organisational effectiveness by creating a condition whereby employees become highly motivated, committed and involved in the organisational activities aimed at achieving organisational goals (Arthur 1994).

**Employees’ Training Explored**

Identifying why employers are failing to train according to Keep and Rainbird (2000) is an attempt to find the solution to the problem. Amongst the explanation given were the market failure, lack of information and inadequate individual resources (Lloyd 2002). Other commentators have argued that the training failure is more systematic and a reflection of Nigerian’ economy. Even though the lack of training in Nigerian workplaces has sometimes been blamed on the lack of interest amongst workers, this in recent years does not hold water anymore. Rather, employers are blamed for not training their employees because they are trying everything possible to reduce running cost. Although various reports have been given on the positive impact of training on organisational commitment, Guest et al., (2000) argued that for the effect of training to be felt, its values must lie in the part it can play in the integrated HRM strategy, especially when there has been so much investment in high quality and flexibility of the workforce.

**Objective for the Study**

The study investigated the relationship between training and commitment in Discount House in Nigeria. This paper therefore looks at training as a single HRM practice in a Discount House and its effect on employees’ commitment to the organisation, with an expectation that establishments that train their workers will perform better than organisations that do not. Specifically, the main objective of the study is to:

*To determine the effect of training on employees' commitment to the organisation.*

Given the position of the existing literature on the relationship between training and commitment, the following hypothesis is developed

**Null Hypothesis:** Training does not increase employees’ commitment to the organisation.

**Alternative Hypothesis:** Training does increase employees’ commitment to the organisation.

**METHODOLOGY**

A total of 150 respondents, which represents eighty five percent of the total population in the Discount House, returned the questionnaire distributed. The respondents consist of 100 (66.7%) male employees and 50 (33.3%) female employees. The purposive sampling technique was used to select the organisation. The hypothesis tested in this paper is based on the comprehensive debate of the effects of high commitment work practices on organisational performance.

**The Model of Analysis:**

The model of analysis will be based on regression analysis, where

\[ Y = b_0 + b_1(T) + b_{ii}(T) + b_{iii}(T) \ldots \]

Where \( Y \) is the dependent variable (commitment) 
\((T..Tii)\) are the independent variables
(b..bii) are the coefficient which can also be the slope, (bo) is the intercept or the constant upon which the independent variables are based on.

The research model and equation will be as follows

\[
\text{Commitment} = \text{Constant} + \text{Level of Training} \quad \text{equation (1a)}
\]

The variable “commitment” was used to measure all the responses to the question ‘I am committed to this organisation?’ The responses to the question were broken down into those that strongly agree, agree, neither agree or disagree, disagree, strongly disagree. “Training” was further broken down into different number of days that employees were trained. The levels of training were \textit{Less than two days training} for those who had received training for 1 to 2 days, \textit{Less than five days training} for those that have received training for 2 to 4 days, \textit{Less than ten days training} for those that had training for 5 to 10 days and finally, \textit{Ten or more days training} is for those who had received more than 10 days training. A regression analysis using Statistical Package for the Social Sciences (SPSS) was conducted on these variables.

\textbf{Results}

The results show that training is positively correlated with employees’ commitment to the organisation. The Null hypothesis that Training does not increase employees’ commitment to the organisation stated in the previous section has been rejected and the Alternative Hypothesis that Training does increase employees’ commitment to the organisation has been accepted. The result of analysis is illustrated in the Table 2 below.

\begin{table}
\centering
\caption{An Overview of the Respondents}
\begin{tabular}{|l|l|l|}
\hline
\textbf{Descriptive} & \textbf{(N=150)} & \textbf{Per cent (%)} \\
\hline
\textbf{Gender} & & \\
Female & (N=100) & 66.7\% \\
Male & (N=50) & 33.3\% \\
\hline
\textbf{Age} & & \\
21-30 & (N=15) & 10.0\% \\
31-40 & (N=125) & 83.3\% \\
41-50 & (N=10) & 6.7\% \\
\hline
\textbf{Marital Status} & & \\
Single & (N=25) & 16.7\% \\
Married & (N=115) & 76.7\% \\
Widowed & (N=5) & 3.3\% \\
Divorced/Separate & (N=5) & 3.3\% \\
\hline
\textbf{Academic Qualification} & & \\
HND, B.Sc., B.A & (N=65) & 43.3\% \\
MBA, M.Sc., M.A. & (N=85) & 56.7\% \\
\hline
\textbf{Work Experience} & & \\
Less than a year & (N=10) & 6.7\% \\
1-5 years & (N=123) & 82.0\% \\
6-10 years & (N=8) & 5.3\% \\
11-15 years & (N=9) & 6.0\% \\
\hline
\textbf{Status of Respondent} & & \\
Management staff & (N=25) & 16.7\% \\
Senior staff & (N=30) & 20.0\% \\
Junior staff & (N=95) & 63.3\% \\
\hline
\end{tabular}
\end{table}
Table 2: The Relationship between Training and Employees’ Commitment

| Equation          | Coef. | Std. Err. | z     | P>|z|    |
|-------------------|-------|-----------|-------|-------|
| $Y(employees' \text{ commitment}) = \text{function* bi (Training)}$ |       |           | 150   |       |
| Less than 2 days training | .155011 | .0201247 | 8.80  | 0.000*** |
| Less than 5 days training | .253376 | .0275708 | 12.42 | 0.000*** |
| Less than 10 days training | .314738 | .0282066 | 13.56 | 0.000*** |
| More than 10 days training | .351898 | .0292490 | 14.46 | 0.000*** |

*** indicates that the coefficient is statistically significant at the 10% level.

The table above shows that the employees that The different levels of training such as the less 2, less 5, less 10, less 10 and more than 10 days training all had a standard error showing (.0201247, .0275708, .0282066, .029249), coefficients (.155011, .2533276, .3147038, .351898, respectively) and (Z = 8.8, 12.42, 13.56, 14.46) respectively and all are significant at 1%. The results showed that the size of coefficients is increasing as the level of training increases. These results suggest that the higher numbers of days training given to employees, the more committed they will be to the organisation. The positive sign indicates the direction of the relationship. That is, the more training given, the more committed an employee will be to the organisation.

Discussion

The statistical analyses have shown that the more training given, the higher the level of employees' commitment to the organisation. The study supports the existing literature that training is not only viable means of improving employees’ knowledge and skill, but also a means of achieving higher employees’ commitment to the organisation. This is similar to the study conducted by Porter and Tripoli (1997) that training signals commitment from the organisation to the employees, which will result in employees reciprocating such behaviour by demonstrating a stronger affective organisational commitment, which is quite productive and can affect performance. Although the direction of causality cannot be truly established, the results showed that training will increase employees’ commitment to the organisation. By examining the relationship between training and commitment, this paper suggests that, by adopting and increasing employees’ training will not only be beneficial to employees, but also to the organisation as a whole in the sense that it will give an organisation a competitive edge over others. It is suggested that training should be implemented as part of the larger organisational development strategies aimed at getting a committed workforce. This is because employees interpret training as an indicative of commitment from the organisation to them, and which they reciprocate according by being committed to the organisation.

Implications

The implications of this present study can explained in terms of the contribution it can make to the present knowledge of the relationship between HRM practices and organisational outcomes. Based on the findings, this paper suggests that by adopting and increasing employees’ training will not only be beneficial to employees, but also to the organisation as a whole in the sense that it will give an organisation a competitive edge over others in terms of performance. That is training will not only improve the technical and non-technical skills of the employees, but it can be used to get employees committed to the organisation. The effect of training in this situation is positive and beneficial to the financial service organisation. The employers at large should therefore invest more in training and increase the amount of training given to their employees so as to get them to perform better. To human resource management practitioners, employee training should be integrated into
the HRM practises aimed at getting a committed workforce and also practices aimed at increasing organisational performance (Huselid 1996).

More awareness needs to be created so as get the general public educated on the bottom line and overall effect of training on employees’ commitment to the organisation. For those organisations that train most of their employees, they are advised to keep up with the good act, and for those that have not, are strongly advised to make more conscious effort to change their management approaches to those aimed at getting a committed work force.

Limitations of the Study

This research looked at training from the perspective of the employees. This is a one-sided approach that has ignored the cost-effect of training on the organisation. Training in this current study has been suggested to be beneficial to both employees and employers, without laying much emphasis on the fact that training can increase the operational cost of running an organisation which can reduce the gross profit for those establishments that are large and train most of their employees. Furthermore, there might be the risk of losing most efficient and better-trained employees to other organisations that are ready to offer them more pay.

CONCLUSIONS

The main purpose of this paper is to investigate the effect of training on employees’ commitment to the organisation. The empirical evidence suggest that the more training given to employees, the more committed they will be to the organisation. Further research is enquired so as to explore the relationship between training and other organisational performance measures, such as employees’ performance, organisational performance, quality and productivity so as to be able to present more reliable explanations for the relationship between training and commitment.

Finally, since there are different human resource management practices aimed at getting workforce commitment, there is the need to focus on the efficiency and the adoption of other practices such as employees’ involvement, consultation, share ownership and direct communication on employees’ commitment and the overall effect they can have on the organisation.

REFERENCES


