This document contains three papers on workplace learning issues and human resource development. "The Impact of Self-Management on Training Participation" (Jasper B. van Loo, Andries de Guip, Jo G.L. Thijssen) combines HRD and economic theory to in an attempt to explain the relationship between self-management and training participation. An economic model is used to formulate five research hypotheses that are then investigated by using survey data from workers in a large insurance company.

"Corporate Training as an Organization Subsystem" (Monica M. Tuttle) compares organization subsystems of finance and corporate training and argues that, with both seeking to optimize different qualities within the larger system, one variable is likely to be suboptimized. The ramifications of this situation, including the issue of increased accountability in measurement as an area for further research, are discussed.

"The Relationship between Workplace Training and Organizational Commitment in Australian Organizational Settings: A Preliminary Analysis" (Adela J. McMurray, Rae Dorai) reports on a survey of staff at various levels in the hotel industry, automotive manufacturing, and nonprofit organizations that established a relationship between workplace training and organizational commitment. The implications of this relationship for implementation of Australia's National Training Reform Agenda were discussed. All three papers include substantial bibliographies. (MN)
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The Impact of Self-Management on Training Participation

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In this paper, the relation between self-management and training participation is addressed. We attempt to combine HRD and economic theory to explain the observed pattern of training participation. In contrast to other (economic) studies, however, we use initiative and responsibility variables as key factors explaining training participation. Using an economic model we are able to formulate five research hypotheses, which are investigated using survey data from workers in a large insurance company.

Keywords: Training, Self-Management, Economics

The attitude of workers and firms towards careers has undergone important changes in the last decades. It used to be the responsibility of the firm to take initiatives for the career development of their employees. Now, workers are considered to be 'entrepreneurs' of their own career. Firms no longer feel responsible for the lifelong careers of their workforce, due to the fact that they increasingly need flexibility. This need for flexibility has been created by a number of developments: technological innovations, organizational developments, quality management and increased competition (Bishop, 1997; Collin, 1994; Van Vliet, 1997; Watkins and Marsick, 1993).

The changes in the relation between workers and firms have resulted in new psychological contracts. Psychological contracts are implicit agreements that are based on the expectations of workers and firms. The change in psychological contracts has resulted in a shift from the traditional organizational career to what has been termed the 'protean career' (Hall and Moss, 1998), which is a career which the person, not the firm is managing. The nature of the psychological contract determines the behavior of the parties to the contract. In this paper, we investigate one type of employee behavior that results from the (new) psychological contract: the concept of self-management. Specifically, we study the relation between the degree of self-management and training participation.

The determinants and effects from training participation have been extensively addressed in the economic literature. In this literature, training participation is usually related to individual and work characteristics (see e.g. Blundell et al., 1996). In addition, it is primarily concerned with estimating so-called 'reduced form equations' (a notable exception can be found in Oosterbeek, 1998, who distinguishes between demand and supply factors in the explanation of training participation). This implies that these analyses do not address the underlying structural training demand and supply relations (Arulampalam et al., 1996). Some of the empirical results obtained in economic studies on training participation have become standard results. For the United Kingdom, Shields (1998), and for the United States, Altonji and Spletzer (1991), Lillard and Tan (1986), Lynch (1992) and Lynch and Black (1995) summarize most of these findings: training decreases with age, training participation is lower for females and people with children; qualifications have a positive effect on training participation; union members are more involved in training than non-union members.

This paper attempts to provide another explanation of training participation. The objective of the paper is to determine the impact of self-management on training participation.

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The central research question of this paper therefore is: In what way does training participation depend on self-management? The paper will be structured as follows. In the next section, we combine insights from HRD and economics to set up a theoretical framework. We then present our specific research questions and hypotheses. In the next two sections, we give a description of the survey data we used and present estimations which test our hypotheses. The final section concludes and summarizes.

Theoretical Framework

Psychological Contracts and Self-Management

Throughout the years, many different definitions of psychological contracts have been proposed. The concept was introduced by Argyris in 1960 who defined it as an implicit agreement to respect each other’s norms. Levinson et al. (1962) were among the first to provide a more meaningful definition. They define a psychological contract as a product of mutual expectations that are implicit and unspoken, which may antedate the employment-organization relationship. They consider the contract to be dynamic in nature, implying that changes in individuals, organizations or in the broader context have a direct effect on the psychological contract and its outcomes. Many authors have noted that the psychological contract has changed considerably during the last decades. Whereas the traditional psychological contract is concerned with trading job-security for loyalty, in a modern contract employees offer flexibility while firms offer possibilities to remain employable. An important feature of the behavior of the parties to a psychological contract is the degree of self-management. The degree of self-management may be characterized by four career management competencies (Ball, 1997): a) optimizing the current situation, b) using career planning skills, c) engaging in personal development and d) balancing work and non-work activities. In this paper, we focus on the third career management competency: engaging in personal development. In a modern psychological contract, the individual and managerial perceptions on this self-management characteristic determine the outcomes of the psychological contract. In line with this theoretical assumption, the self-management perceptions of both individuals and managers influence training participation.

When the degree of self-management is discussed, often a distinction is made between a) self-management perceptions on initiative and b) self-management perceptions on responsibility. In the context of this paper, self-management is confined to the initiative and the responsibility for self-development (Delf and Smith, 1978), i.e. training participation. Self-development initiative is defined as taking the lead in initiating training participation. Self-development responsibility may be defined as the perceived obligation to be liable for training outcomes. It is however, unclear how both components influence training participation empirically. The goal of this paper is to investigate this issue from an interdisciplinary perspective.

Economic Model

The choice of training intensity can be related to the degree of self-development using a (micro-)economic model. Since the decision on training participation is a joint decision of employees and firms (managers), we develop a two-party model, which results in an equilibrium level of training intensity. This equilibrium is derived from a standard micro-economic demand/supply framework. We first derive optimal training intensity equilibria for the workers and managers separately. Then, in a second step, we combine these to determine a general training equilibrium.

The Worker. The demand for training is based on workers’ preferences. It is assumed that these preferences are affected by workers’ self-development initiative. In figure 1 below, the training demand curve represents the marginal benefit to training. We assume that the marginal return is higher at each level of training for the employees with a high level of self-development initiative compared to those workers with low self-development initiative. This is due to the fact that these employees value career success (and the associated extra future income) more then the low self-development initiative individuals. In economic terms, this implies that workers with high levels of self-development initiative have a higher preference for future returns and thus a lower discount rate (for details: refer to Varian, 1992). If we suppose that the degree of self-development initiative is only reflected in the intercept of the demand curve, this implies that the training demand curve for a high self-development initiative individual is situated above the training demand curve for the low self-development initiative worker.

The training supply curve maps the marginal cost of training. Costs for training are the effort and time workers have to invest in order to be trained. We assume that workers with a higher degree of self-development responsibility will perceive higher costs of training. This implies that for these people, the training supply curve for
training effort will be above the supply curve for people with a low level of self-development responsibility. Figure 1 shows the demand and supply curves for training as well as the intersection of these curves, which represents the desired training intensity by the employee, TE*. The model for the workers' desired training participation intensity predicts a positive effect of self-development initiative on training participation since it moves the training demand curve to the right. The expected effect of the level of self-development responsibility on desired training participation, however, is negative.

Figure 1. Derivation of the Desired Equilibrium of Training Participation by Employees

The Manager. The manager's decision on the desired training intensity for his employees is also derived from a training demand/supply model. The training demand curve represents the marginal benefit of training as perceived by the manager. One of the variables behind this demand curve, the opinion of the manager regarding the level of self-development initiative of his employees, is related to the manager's time perspective. Managers that mainly value current performance of their employees without much interest in the development initiative of their employees and their future performance are supposed to have a lower level of desired self-development initiative than managers that regard HRD a key priority. Assuming that managerial self-development initiative only influences the intercept of the demand curve implies that the demand curve for employee training for high self-development initiative managers will be above the demand curve for managers with low self-development initiative. The supply curve for the training of the employees reflects marginal training costs perceived by the manager. Managers that lay responsibility for training entirely with their employees expect lower training costs at each level of training. This is due to the fact that they themselves do not have to be involved much in the training of their employees, and this reduces training costs for the firm. In figure 2, both the manager demand and supply curves for employee training are shown. The manager desired equilibrium employee training intensity is TM*, the intersection between the training demand and supply curves.

Figure 2. Derivation of the Desired Equilibrium of Training Participation by the Manager
We thus expect the opinions of the manager regarding both self-development initiative and responsibility to have a positive effect on training participation. The manager's opinion on self-development initiative is expected to have a positive effect on training participation due to the fact that managers who feel that their subordinates must take initiative for their own training see more of the benefits of training, leading to a higher demand. Self-development responsibility is expected to have a positive effect on training participation since more responsibility for the employee implies less responsibility for the manager and leads to lower costs for the manager (firm).

The Equilibrium Level of Training Intensity. In the previous two subsections the desired training intensity for the employee (TE*) and the desired training intensity from the manager's perspective (TM*), have been determined. In this section, we combine these two individual equilibria. Note that we can distinguish two possible cases. Firstly, the manager and the employee may agree on employee training intensity (TE*=TM*). The other case is training-intensity incongruence: in this case the equilibrium training intensity will be different for the employee and the manager (TE*≠TM*). In order to find a training equilibrium in the latter case, we define two equilibrium loss functions, which are relationships between the disequilibrium and the welfare loss associated with this. With linear demand and supply curves for both the employee and the manager, these equilibrium loss functions are quadratic (for details on this, please contact the authors). We assume that equilibrium occurs when the total loss (determined by the addition of the two loss functions) is minimal. In figure 3, this equilibrium is derived. From the figure it becomes clear that the equilibrium training intensity, T*, will be somewhere between the employee and manager individual equilibria (TE* and TM*).

Figure 3. The Equilibrium Training Intensity, Derived from Employee and Manager Loss Functions

It can be shown that, with the assumptions we made, the equilibrium training intensity T* is dependent on the four indicators for self-development (SDI=Self-Development Initiative; SDR=Self-Development Responsibility; subscript em=employee or manager) in the following manner:

\[ T^* = \alpha + \beta_1 SDI_e + \beta_2 SDR_e + \beta_3 SDI_m + \beta_4 SDR_m + \varepsilon \]

Research Questions and Hypotheses

From the previous discussion, the main objective may be operationalized using four research questions:
1. To what degree does training participation depend on individual perceptions on self-development initiative.
2. To what degree does training participation depend on managerial perceptions on self-development initiative.
3. To what degree does training participation depend on individual perceptions on self-development responsibility.
4. To what degree does training participation depend on managerial perceptions on self-development responsibility.
Self-Development Initiative and Training Participation

Self-development initiative has been defined as taking the lead in initiating training participation. This implies that a positive relation between self-development initiative and training participation may be expected. However, the relation between the individual perception of self-development initiative is direct (since the individual that perceives and acts is the same) while the relation between managerial self-development initiative is indirect. This implies that we expect the relation between individual self-development initiative and training participation to be stronger than the relation between managerial self-development initiative and training participation. This leads to the following three hypotheses:

H1: The degree of individual self-development initiative has a positive influence on training participation.
H2: The degree of managerial self-development initiative has a positive influence on training participation.
H3: The relation between the individual self-development initiative perception and training participation is stronger than the relation between managerial self-development initiative perception and training participation.

Self-Development Responsibility and Training Participation

Self-development responsibility has been defined as the perceived obligation to be liable for training outcomes. Whether a stronger self-development responsibility with respect to training participation automatically leads to a higher participation in training is far from clear, even though this relation has been suggested by some authors. This does not imply that the influence of self-development responsibility within the psychological contract is denied. A positive effect from self-development responsibility on training participation is possible, but seems less evident than the positive effect on training participation for the earlier mentioned element of self-development: initiative.

Our discussion has shown that, from an economic perspective, the effect of individual self-development responsibility may even be negative. If individuals with a high level of individual self-development responsibility perceive a higher required training effort, the consequence is that speaking in economic terms, these individuals perceive higher individual training cost. This implies that, when training benefits remain equal, the equilibrium level of training participation will be higher for individuals with low self-development responsibility than for those employees with high self-development responsibility.

The effect of managerial self-development responsibility is likely to have a positive effect on training participation. If managers feel that employees should bear the responsibility (and thus costs) of their own training, this implies that less costs need to be born by the manager (or the firm). This leads to two additional hypothesis:

H4: The effect of individual self-development responsibility on training participation is negative.
H5: The effect of managerial self-development responsibility on training participation is positive.

Methodology

The data we use in this paper come from a survey we conducted in a large Dutch insurance firm in early 1999. We focused on a specific group of workers within this firm, the so-called 'file employees'. Their job mainly consists of dealing with insurance benefit applications, determining the amount of money a client is entitled to, dealing with clients incidentally on the telephone, and keeping the files of clients up-to-date. We restricted the survey to one occupational group within the firm for two reasons. Firstly, from in-depth interviews with key policy makers beforehand, we knew that this group has had to deal with a number of important changes, making the issue of training relevant to these workers. Many workers stated as important changes: changes in legal regulations (34%), the computerization of work (30%) and changes in the organization of work (23%). Secondly, we wanted to eliminate as much as possible unnecessary variation between workers due to differences between occupations.

The workers we surveyed are organized in teams, consisting of about 20 people and a manager. We surveyed 100 employees in 11 of those teams, 50 from each company division, drawn from a population of about 480 people using a stratified sampling scheme. We first selected 11 teams; in a second step, around half of the workers within each team was selected to take part in the survey. Thanks to careful communication with potential respondents beforehand, the response rate was very high (91%). The small share of non-respondents — mainly due to holidays or illness — was randomly replaced by colleagues from the same team. We later approached the team managers with a slightly different questionnaire. We were able to link employees with managers, giving us a
worker-manager panel with 100 workers and 11 managers. Due to the fact that the model in this paper contains both employee and manager variables, we restricted the sample to those respondents that have been working for the same manager for at least three years. This implies that 59 cases remain for analysis.

Training Variables

The respondents were asked for a detailed history of previous learning activities. They were given the opportunity to list a maximum of 14 training courses they themselves think were the most important for their career. The survey shows that, while the average tenure of workers is 14 years, the average number of training courses mentioned is 2.94; the majority of them are courses related to the insurance business. Many details on these training courses were collected, such as the duration and timing of the course and the type and subject of the training course. In the context of this paper, training intensity is defined as the number of training courses in the years 1997-1999.

Self-Development Variables

Both the employees and their managers were questioned about self-development. The employees were asked two self-development tendency questions. The first one captures self-development initiative. Respondents were asked whether they felt that they are responsible for taking the initiative for their own training. They answered on a five-point scale, ranging from “completely agree” to “completely disagree”. A similar question was asked on self-development responsibility: employees where questioned on whether they feel that they should bear the responsibility for their own training. The survey data show that a large proportion (>75%) of the workers agrees that they should take the initiative for training themselves and should bear responsibility for their own training. The managers were asked a similar question, which only differs from the employee question in that it was phrased to determine the opinion the managers have on the self-development initiative and responsibility of their employees.

Results

Table 1 presents the results of the OLS-estimation of equation (1). Both the employee and the manager self-development initiative variables have a significant and positive effect on the number of training courses taken. Furthermore, the results show that the magnitude of the effect of employee self-development initiative on the number of training courses is about twice as large as compared to the effect of the manager self-development initiative. The self-development responsibility variables have no significant effects on the number of training courses taken. The results imply that H1, H2 and H3 are confirmed. For H4 and H5, no evidence can be found.

Table 1. The Effect of Self-Development on Training Intensity, OLS-Estimation

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<tr>
<th></th>
<th>Coefficient</th>
<th>Std. Error</th>
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<tr>
<td><strong>Employee variables</strong></td>
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<td></td>
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<tr>
<td>Initiative for own training</td>
<td>0.812**</td>
<td>0.258</td>
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<tr>
<td>Responsibility for own training</td>
<td>-0.401</td>
<td>0.233</td>
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<tr>
<td><strong>Manager variables</strong></td>
<td></td>
<td></td>
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<tr>
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<td>Responsibility for employee training</td>
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<td>0.404</td>
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<td>Constant</td>
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</tr>
<tr>
<td>R-sq</td>
<td>0.206</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>59</td>
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</tbody>
</table>

Taking Account of Endogeneity

The present set-up of the model does not take account of the possibility of endogeneity of the key variables. In this section, we therefore assume that the amount of training a worker has already taken part in has a positive effect on self-development initiative. This can be considered a learning-effect: workers gain knowledge on the usefulness and profitability of training whenever they take part in training. Therefore we re-estimate the model using
training intensity (T) and a number of additional explanatory variables (OV, consisting of marital status, gender, tenure and educational level) as instruments for the degree of individual self-development initiative. The model then becomes as follows:

\[
T^* = \alpha + \beta_1 SDI_I - \beta_2 SDR_R + \beta_3 SDI_I + \beta_4 SDR_R + \epsilon
\]

Estimating the system of equations in (2) requires a 2SLS estimation, and the results are shown in table 2 below. When these results are compared to the simple OLS-estimation in table 1, a couple of conclusions may be drawn. Firstly, the explanatory power of the analysis (R-squared) increases by around 4%. In addition, we can now accept four of our five research hypotheses: Both self-development initiative variables remain significant and positive while the employee self-development responsibility has a negative sign and is significantly different from zero. In addition, the degree of employee self-development initiative has a much stronger effect than the managerial self-development initiative. The manager's opinion on self-development responsibility has no significant effect; we therefore cannot accept H5.

Table 2. The Effect of Self-Development on Training Intensity, 2SLS-Estimation

<table>
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<tr>
<th></th>
<th>Coefficient</th>
<th>Std. Error</th>
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<td>Responsibility for own training</td>
<td>-1.233**</td>
<td>0.461</td>
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<tr>
<td><strong>Manager variables</strong></td>
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<tr>
<td>Initiative for employee training</td>
<td>0.767**</td>
<td>0.347</td>
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<td>Responsibility for employee training</td>
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<tr>
<td>R-sq</td>
<td>0.241</td>
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<td>N</td>
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</table>

Conclusions

HRD professionals from around the world point out that the changing conditions in many work situations have changed the psychological contract between employees and firms. In this paper, we have attempted to investigate one of the components of employee behavior that is directly linked to the psychological contract: the concept of self-management. The research objective in this paper was to link self-management to training participation using insights from both HRD and economics.

The combination of an economic model for training participation and insights from HRD allowed us to formulate five hypotheses on the relation between self-development and training participation. From the empirical part of this paper, we are able to accept four hypotheses. Firstly, the degree of individual self-development initiative has a positive influence on training participation. Secondly, the degree of managerial self-development initiative has a positive effect on training participation. Thirdly, the effect from individual self-development initiative is stronger than the effect from managerial self-development initiative. Finally, the effect from individual self-development responsibility has a negative effect on training participation, implying that our economic cost-based explanation of this concept may be valid.

This paper has also shown that combining insights from economics with concepts from human resource development research may increase our understanding of empirical information on human resources. Using a similar methodology for other fields in HRD may therefore be an interesting starting point for further research, both from a theoretical and a policy point of view.
References


Corporate Training as an Organization Subsystem

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Organization subsystems of finance and corporate training are compared. Finance models focus on capital as the key variable to be optimized, however, HRD or corporate training models see intellectual capital as the variable to be optimized. With both seeking to optimize different qualities within the larger system, one variable is likely to be sub-optimized. The ramifications of the situation are discussed, targeting the issue of increased accountability in measurement as an area for further research.

Keywords: Evaluation, Corporate Training, Modeling

Organizations can be viewed as systems, i.e., “a collection of parts which interact with each other to function as a whole” (Kauffman, 1980, p. 1). As complex systems, organizations contain sub-systems, which are smaller functioning systems that operate within the larger system. Examples of these subsystems would be the finance department, the corporate training department, or the marketing department. These subsystems are just part of the larger ladder or hierarchy of systems that create the organization, our civilization, our earth and the largest system, our universe (Kauffman, 1980). Each subsystem is purposeful and “goal-seeking” (p. 29), and plays its own part in the delicate balance of its host system, each working toward the same larger goal of the betterment of the host organization.

Many organizations today, have created a destructive relationship between some of their subsystems, a relationship in which they compete for financial sustenance, at times against the purpose of the organization. This type of relationship is often termed a “tragedy of the commons.” Kauffman (1980) describes the original tragedy of the commons story; it concerned the common pastures in medieval England and colonial America. The common pastures were places in which the town folk were entitled to let their cows graze. Because the nourishment for the cows was free, each individual bought as many cows as possible and let them graze freely, each desiring to grow their herd quickly. However, as every individual saw the same opportunity, soon the lands were without grass and could not longer sustain large herds. As a result, all of the individuals suffered. As each person acted independently, with what appeared to be the most sensible decision from their perspective, their actions ended up hurting all involved.

In this paper, the tragedy of the commons will be shown as similar to the relationship that has been created between the corporate training subsystem and the finance subsystem. Both subsystems are working towards the benefit of the larger organizational system, however, using different and competing methods. While this paper will focus on the corporate training subsystem, parts of the finance subsystem will be used as elements of comparison. This paper is not intended to portray a deterministic or pessimistic view of the future of corporate training; therefore, a possible area for further research and inquiry into alleviating the destructive relationship will be presented. It will be shown that there is a component that is often overlooked in the corporate training subsystem, one that appears already in the finance subsystem (Boudreau & Ramstad, 1997). That missing component is rigorous evaluation of interventions or investments (Boudreau & Ramstad, 1997; Froman, 1994; McLagan, 1989; Swanson, 1994; Swanson & Holton, 1999).

The subsystem of corporate training will be discussed and compared with elements of the finance subsystem, ultimately explaining the tragedy of the commons situation. Utilization of systems theory for this discussion is relevant and helpful due to the complex nature of organizations, their subsystems, and the array of internal and external forces that are always in play with the issues raised here. Both subsystems will be described using characteristics of complex systems as described by Kauffman (1980). Those characteristics are systems as: goal seeking, self-stabilizing, program-following, and self-reprogramming.
**Tragedy of the Commons**

**Systems as Goal-Seeking**

Evidence supports the idea that knowledge is now becoming the way in which organizations can gain a competitive edge; consequently, intellectual capital constraints can be seen as increasingly critical to organizational performance (Boudreau & Ramstad). Corporate training is one of the physical manifestations of that idea. At present, one overarching goal of training is, “the development of workplace expertise” (Swanson & Torraco, 1995, p. 40). Or more specifically, a training and development effort can be designed to, “increase an individual’s level of self-awareness, skills, and/or motivation to perform his or her job well” (Froman, 1994, p. 159). Corporate training subsystems are also often integrated with Human Resource Development (HRD) subsystems, whose goal is to “design and create high-performance organizations” (Swanson, 1994, p. 13), training being one component of that strategy. Thus, the corporate training subsystem exists to equip the employees who utilize its services to function more efficiently in the organization; consequently the organization should perform at a higher level. Admittedly, training can often be used in organizations for other reasons than performance improvement, such as employee satisfaction, commitment, or the dissemination of corporate culture. However, for this discussion the focus of training will largely be for performance improvement—something that has a strong likelihood of being linked to the bottom line.

The Human Resources or Corporate Training subsystem uses its services for the betterment of the larger system. Similarly, the subsystem of finance is also looking out for the best interests of the larger organization, through the measurement and analysis of the financial status of the company (Merrill Lynch, 1997). The financial subsystem exists both as an informational source as well as a consultative source for the organization. As informational, it seeks to present the company’s business performance in dollar terms. Therefore, it captures and reports information about cash flow, what the company owes and owns, provides a dynamic picture of how the company has performed comparing different time periods, as well as presents information about the changes in shareholder equity (Merrill Lynch, 1997). As a consultative source, its goal is to treat capital as the most significant constrained resource and show the organization the best ways to use it to regain some form of capital return, as well as to predict the future capital-based value of the organization (Boudreau & Ramstad, 1997).

Where these two subsystems come into conflict is what they consider to be constrained resources. Finance models focus on capital as the key variable to be optimized, however, Human Resource or Corporate Training models see intellectual or human capital as the variable to be optimized (Boudreau & Ramstad, 1997). With both seeking to optimize different qualities within the larger system, one variable is likely to be sub-optimized (Kauffman, 1980).

**Systems as Self-Stabilizing**

Which variable is ultimately sub-optimized could depend on the philosophy of the organization, since it is its decision whether or not to invest in training that is the dependent variable (Boudreau & Ramstad, 1997). Environmental forces at play external to the organizational system affect this philosophy. The feverish pace of change has caused many of those who train to believe that the only real competitive advantage left is human capital or intellectual capital. A large component of obtaining the competitive advantage is to make substantial investments in talent development, i.e., training (Boudreau & Ramstad, 1997; Ireland & Hitt, 1999; Wright, Dyer, & Takla, 1999).

Organizations must pay attention to the environmental forces in order to adjust their subsystems' functioning. Kauffman (1980) describes complex systems as able to respond to environmental changes in such a way as to remain stable. The forces from the environment are captured and relayed back to the system in the forms of positive feedback loops, which amplify the change seen in the environment, or negative feedback loops, which negate changes found.

As cutthroat competition meets the tight labor markets, organizations are being forced to think about employees differently. Wright et al. (1999) emphasizes the point that there is no longer the loyalty that once existed between employee and employer, in fact, now that social contract is broken and there is an open market competition for talent. As such, employers will need to be willing to invest money into developing the talent they acquire in efforts to update their knowledge and skills, and to retain them. The increase in knowledge and expertise benefits the organization in the face of competition, and employees who are given the opportunity for continuous learning feel more involvement (Ireland & Hitt, 1999).
It is possible to view this effect on corporate training using positive feedback loops. As an organization receives information from its environment about competition, change, labor shortage, or the like, it sees the viable option to invest more money in training. Therefore, more dollars are invested to develop the talent and the amount of corporate training increases (see Figure 1).

While this might be the response of one system, another system might rely solely on the costs of the training, considering capital to be the more significant constraint, therefore, deciding that it is likely too much of an

Figure 1. Forces Impacting Corporate Training Shown Using Positive and Negative Feedback Loops.

- Forces adapted from articles by J.W. Boudreau and P.M. Ramstad, 1997; P.M. Wright, L. Dyer, and M.G. Takla, 1999; R.D Ireland and M. A. Hitt, 1999 to create this diagram
investment (Boudreau & Ramstad, 1997). Consequently, that negative feedback loop limits the amount of dollars
given to corporate training, thereby reducing the overall amount of training delivered. Additionally, a number of
other forces affecting the organization might also influence the amount of training delivered (see Figure 1)
(Boudreau & Ramstad, 1997; Ireland & Hitt, 1999; Wright et al., 1999).

The subsystem of finance plays a large role in that negative feedback loop, because it provides the
organization with a basis to make capital decisions (Boudreau & Ramstad, 1997). However, the way in which
financial accounting measures have evolved, has lead them to be less than effective in measuring intellectual assets
(Boudreau & Ramstad, 1997). After being given the accounting information, organizations place values on the
investments they intend to make, one of which would be corporate training. However, the values that are affixed to
the potential outputs of training are often mislead or inaccurate, because the training results are not accurately
assessed. Otherwise identical programs can vary substantially in their impact, depending on “how they affect the
different constrained and/or unconstrained resources in the organization” (Boudreau & Ramstad, 1997, p. 348). It
becomes more apparent why the two subsystems are at odds, the subsystem of finance sees training as a cost center,
while the corporate training subsystem feels the financial accounting measures placed upon them, are stifling and
not accurate measures of what is really accomplished.

Systems as Program-Following

In order for the corporate training subsystem to function, to accomplish its goals, it needs a few major
components: financial sustenance, trainers, participants, and programs. Financial sustenance comes from the top
leadership of the company making a conscious decision to invest in training (Swanson, 1998). The trainers are
pulled from either internal or external sources and are known either for their expertise in the industry or for their
training ability (Delahaye & Smith, 1998). The participants can come from a wide variety of sources, depending on
the rationale for the training program. Trainers will meet just-in-time training needs for employees, such as technical
skills that are necessary for on-the-job functioning, however, trainers will also cover material that is considered
more beneficial to the long term health of the organization, such as conflict resolution or teambuilding skills
(Delahaye & Smith, 1998). In terms of the method of training, there are content as well as process considerations, all
of which are determined by the rationale for the training and also affect the type of outcomes expected (for a good
review of training needs and appropriate methods see Delahaye & Smith, 1998).

The investment in the quality and amount of inputs granted to the corporate training subsystem depends on
the value the host organization places on the intended output, e.g., a more knowledgeable or skilled employee. This
is due to the fact that organizations may place more value on other ways of obtaining the same result, such as hiring
the talent, or leaving the responsibility on the employee to develop him or herself (Swanson, 1998). Despite quality
and quantity differences that might exist between organizational systems, the aforementioned components are
necessary for corporate training’s functioning.

The individuals within systems have the ability to follow a program, in other words, they are able to follow
a sequence of steps in order (Kauffman, 1980). The program-following characteristic of the corporate training
subsystem involves the components acting out a fairly standard formula, or a closely related variant; the formula
tends to be analyze, design, develop, implement, evaluate (Swanson, 1994). While there are other models that break
the steps into further detail (Sadler, 1998), the concepts are similar. The analysis phase discussed by Swanson
(1994) determines the performance requirements of the organization and the desired performance goal or standard.
The parts of the system working together here are the program developers and the management of the department
seeking training. The following three phases involve the trainer setting training objectives, designing or choosing an
off-the-shelf the training program, identifying training techniques, planning resources, and delivering the training
(Sadler, 1998). The final phase is the evaluation of the training; the type of and emphasis on evaluation varies for
each organization (Swanson & Holton, 1999). Effective interactions of systems parts during the evaluation phase
will be discussed in greater detail in following sections.

As each system follows its own steps or program, it does not exist in a vacuum; the forces of the
environment in which it exists affect it (Kauffman, 1980). Taking an open systems perspective, training should be
less of a linear event; rather, it should be cyclical, under constant change due to internal and external influences.

Systems as Self-Reprogramming

As discussed above, systems are goal-seeking, are able to follow programs, and take in feedback from the
environment to be self-stabilizing. As systems become more complex, they acquire the ability to modify their
programs in order to avoid or repeat errors (Kauffman, 1980). However, how can a system be self-reprogramming
without the important quality feedback that might require a change in the "type" or "quality" of training, not just the amount? This is what is missing from most programs followed by corporate training subsystems. The phases of analyze, design, develop, implement, and evaluate are followed, however, the cyclical link is not made; true evaluation of learning is not measured and thus cannot influence the next round of training events (Boudreau & Ramstad, 1997; Froman, 1994; McLagan, 1989; Swanson & Holton, 1999).

The only insurance most organizations receive from their training experts are pieces of paper from participants stating whether or not they believe the training was worthwhile (Dixon, 1990; Swanson & Holton, 1999). However, these participant reactions, often called 'smile sheets,' are the least valid form of information about performance outcomes (Dixon, 1990; Swanson & Holton, 1999). While likely not created to assess learning, at present, these participant reactions are commonly the only forms of evaluation that organizations use to assess training effectiveness (Easterby-Smith, 1998; Swanson & Holton, 1999). Therefore, the organization is likely to feel that all training efforts, beyond the just-in-time training that are necessary to perform the tasks of the job, are a waste of time and money.

Consequently, the corporate training subsystem to truly be self-reprogramming, evaluation needs to actually measure what has been effective and what has been in error, so that the subsystem can correct itself and remain effective. The original program created by Swanson (1994) intended for there to be rigorous evaluation methods of training tied into the organization's core processes and outputs, to insure that this information was meaningful and fed back into the training loop (see Figure 2).

Figure 2. The Systems Model of Performance Improvement: Performance Improvement Phases.

This lack of effective measurement has at least two major effects, first, there are quality improvement and error-reducing opportunities missed, but just as importantly, there is no assessment of the quality of results produced. The corporate training department has little concrete data to show for their efforts, and therefore, little leverage power to use when lobbying for more investments in their subsystem (Swanson & Holton, 1999). Without adequate data to show the subsystem of finance that training is not merely a cost center, the finance subsystem will
not report that capital investments made in that area will produce returns. Thus, the tragedy of the commons continues, until the corporate training subsystem can accurately report its effectiveness.

Evaluation

Over time, the subsystem of finance has developed and applied adequate measures to report the effectiveness of organizational investments and processes (Boudreau & Ramstad, 1997). However, the corporate training subsystem, at present, is not adequately evaluating itself (Boudreau & Ramstad, 1997; Froman, 1994; McLagan, 1989; Swanson & Holton, 1999). First, it does not routinely conduct evaluations of its results, and second, it has not developed the right tools to measure the positive changes it has made in the quality of human capital in the organization. It is not able to determine whether or not is processes are appropriate or effective and therefore, is not able to consistently justify its value within the larger organization (Bates, 1999; Easterby-Smith, 1998). What is needed, is a new technology of evaluation that can change the relationship of the corporate training subsystem and the finance subsystem from one with different values, to one of alignment.

Financial accounting measures have been formulated to quantify business success in terms of equity measures, such as profits per share, return on investment (ROI), or internal rate of return analysis (IRR); measurements have been designed specifically for managers to be able to maximize their return on capital (Boudreau & Ramstad, 1997). While one might argue that human performance could be measured in the same manner, some would rebut that these financial models were designed to maximize capital return and not incorporate the more intangible human performance elements (Boudreau & Ramstad, 1997).

Therefore, there are practitioners in the industry and those in academia that are pushing for a new revolution of evaluation methods (Bates, 1999; Boudreau & Ramstad, 1997; Swanson & Holton, 1999). Such a measurement system would change the way decisions are made about training investments, it would no longer be necessary to rely on merely the dollar costs of the program (Boudreau & Ramstad, 1997). The most important part about this development would be that the links would now be apparent, one would no longer have to speculate about whether or not there were any direct effects of the training (Boudreau & Ramstad, 1997). This new revolution requires the use of a sound model for training, a framework for evaluation, the utilization of current or creation of new adequate measurement tools, as well as a philosophy of commitment to the benefits of evaluation held by the individuals at every level of the organization.

The performance improvement diagram presented by Swanson (1994) demonstrates a current viable model for thinking about training and performance that includes evaluation as well as some forces that affect the system (see Figure 2). With this model, it is apparent that effort is focused on all five phases of the development of an intervention, including evaluation. In addition, these efforts are tied into the mission and strategy of the organization and consider the external forces that might affect what intervention is chosen. If corporate training begins to use this systems view of their goal, it will be closer to finding the evaluation methods to alleviate the problems that exist.

Regarding a framework for evaluation, Swanson and Holton (1999) have refined the methods of evaluation to a point where they are much more rigorous than others to date are. Their Results Assessment System evaluates performance improvement on three domains, learning improvement, systems improvement, and perceptions. Learning improvement not only assesses knowledge but also applied expertise gained from the training intervention. The perceptions are gathered from the participants as well as the sponsors of the training program. Participant and sponsor buy-in are important measures for any change process, but are not used to evaluate the learning. Finally, and most promising, is the idea of measuring both systems change and financial change due to the training intervention. The Results Assessment System provides a more concrete framework in which to view evaluation.

While this model and framework are exciting, where Human Resource Development and Corporate Training are lacking is in the development, validation, and appropriate utilization of measurement tools. In effect, eventually being able to answer some of the following questions, what are the appropriate things to measure given this job and this situation? What exactly am I trying to glean from the information, merely how well people enjoyed their physical surroundings during classroom training, or how much they have been able to apply six months later? What tools will measure exactly what I am looking for? The new revolution of evaluation would take full advantage of the current tools that are available, seeking their validation through empirical research, as well as continue to develop, test, and validate new ones (Boudreau & Ramstad, 1997).

As evaluation at the perception level is currently the most widely used method for evaluating training (Dixon, 1996), there is a plethora of existing tools available (for a good review see McLean, Sullivan, & Rothwell, 1995; Easterby-Smith, 1998). The true value of gathering data at the perception level is not to evaluate whether learning had taken place, rather to insure that the training was “building interest and attention and enhancing motivation” (Holton, 1996, p. 10). These existing tools would continue to serve their purpose in the ideal evaluation.
system. Evaluation at the learning level should imply that knowledge has been retained, and that it can be seen behaviorally on the job (Swanson & Holton, 1999). Currently, tools for evaluating the former are most often in the form of paper and pencil tests (Swanson & Holton, 1999), for the latter several tools are deemed effective, from simulations to interviewing to using critical incident checklists (McLean, Sullivan, & Rothwell, 1995). To produce the most ideal result, these measurements should be targeted at obtaining only those indices that were chosen as objectives for the training (McLean, Sullivan, & Rothwell, 1995).

Evaluation at the performance level currently means using existing financial tools to assess organizational performance (Boudreau & Ramstad, 1997); however, this does not necessarily imply that the only variable causing the improvement in those metrics was the training (Boudreau & Ramstad, 1997; McLean, Sullivan, & Rothwell, 1995). It is the opinion of this author that those existing financial tools do not adequately measure the more intangible human capital developments that can tangentially affect organizational performance. Thus, while tools exist to measure organizational performance on both a systems and a financial level (Swanson & Holton, 1999; Boudreau & Ramstad, 1997), the links of how the training influences that performance is not yet clear (Boudreau & Ramstad, 1997). Therefore, the new revolution of evaluation would continue to use exploratory and confirmatory research methods to fill in those gaps (Bates, 1999; Boudreau & Ramstad, 1997; Russ-Eft, 1999). The ultimate focus of each tool should be created around the specific definition of performance for that organization, as definitions of what is valued as performance can vary (Bates, 1999).

Ultimately, many gaps exist. One of the largest concerns here, is the utilization of inadequate evaluation or measurement tools, or just as importantly the lack of evaluation altogether. Therefore, in addition to the new revolution of evaluation methods and tools, the revolution would also have to include a philosophy of commitment from organizations to successfully implement the above. This philosophy would include: financial commitment to investment in training and evaluation methods, resources commitment such as trainer expertise and time allotted, and also a reciprocal relationship between top management and staff to increase accountability for performance improvement at all levels. A fuzzy and unclear picture still remains as to what this revolution would materialize as, but the call is out there for increased research by Human Resource Development professionals in this area.

Conclusion

Many organizations cringe at the thought of investing their hard-earned dollars into training for employees. Most of them read daunting information such as "...with courses ranging from $1,395 for a three-day seminar at Vanderbilt University on effective management techniques to $40,500 for a nine-week advanced management program at Harvard" (Mcusic, 1999). What insurance is there that, one, the type of intervention chosen will be the most targeted at the organization's needs, and two, that the particular program chosen will be the best suited to achieve the learning objectives?

It is not surprising that the finance subsystem could consider the corporate training subsystem as a waste of business resources (Swanson, 1998). As the finance subsystem seeks to provide the organization with the best predictors of capital maximization, it sub-optimizes the human capital variable that corporate training is actively promoting. Thus, the tragedy of the commons is in full force. Given the complexities of an organizational system, no one simple viable solution is available. The area targeted in this paper to raise the consciousness of the reader, is the need for increased research in the area of evaluation of training. The corporate training subsystem can be goal-seeking, program-following, and self-stabilizing, but without the ability to be self-reprogramming by utilizing evaluation methods it loses leverage in competition with the subsystem of finance. Consequently, with lack of leverage, there becomes lack of financial sustenance from the host organization and without financial sustenance the corporate training subsystem cannot function.

References


This study examines the relationship between workplace training and organizational commitment in four Australian organizations. A questionnaire was administered to staff at various levels in the hotel industry, automotive manufacturing, and non-profit organizations. Statistical results show a relationship between workplace training and organizational commitment. Qualitative data from semi-structured interviews with human resource managers support the empirical findings. Findings are discussed at the general level of practical application in Australian organizations and policy.

Keywords: Workplace Training, Organizational Commitment,

The National Training Reform Agenda (NTRA) was initiated in Australia in 1989 by the Commonwealth Labour Government to enhance the skills, productivity, and effectiveness of the Australian workforce (ANTA, 1994). After more than a decade of policy development and training related activities, NTRA no longer exists. Instead, the responsibility is placed on Australian organizations to create their own training culture (Wallace, 2000). Although workplace training is formalised at policy level, there appears to be inconsistency in the way in which it is operationalised and accepted in the workplace.

Bartlett’s (2000) study of nurses in five public US hospitals has revealed that workplace training influences organizational commitment. He asserts that training can be viewed as a practice that can be managed to obtain organizational commitment. Workplace training and organizational commitment are two variables widely recognized as factors contributing towards organizational effectiveness (McMurray, Scott and Pace, 2000; Meyer & Allen, 1997). Whilst workplace training is viewed as an organizational mainstream function and an integral part of an organization’s strategic direction (Graven and O’Donnell, 1997), organizational commitment is recognized as a central concept in the study of work attitudes and behavior (Allen and Meyer, 1997).

Few other studies have explored the relationship between workplace training and organizational commitment. This study attempts to advance an understanding of the relationship between organizational contexts, workplace training, and organizational commitment by examining four Australian organizations including profit and non-profit sectors.

Workplace Training

Workplace training is generally defined as a planned systematic effort to modify or develop knowledge, skills, and attitudes through learning experiences, to achieve effective performance in an activity or a range of activities (Garavan et al, 1995; Harrison 1993; Reid et al, 1994). Many of the definitions in the literature emphasize training on the current job focus. As an activity it appears to span many boundaries including on the job and off the job training, training for younger employees and adult employees, training for new employees, formal and informal training through work experience. According to Van Wart et al (1993) cited in Garavan, (1993), training is application driven and aims to impart skills that are immediately useful in particular situations.

Organizational Commitment

Organizational commitment has been defined as a measure of an individual’s dedication and loyalty to an organization (Cohen & Kirchmeyer, 1995; Meyer and Allen, 1997). It is viewed as an important variable in

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facilitating the understanding of an employee's workplace behaviour (Bateman & Strasser, 1984) as its use has the potential to predict organizational outcomes such as performance, turnover, absenteeism, tenure, organizational goals (Meyer & Allen, 1997) and effectiveness (McMurray, 1999).

Meyer and Allen (1991, 1997) identify the three components of organizational commitment as being affective, continuance and normative commitment. They define affective commitment as “Affective commitment refers to the employee’s emotional attachment to, identification with, and involvement in the organization. Employees with a strong affective commitment continue employment with the organization because they want to” (Meyer & Allen, 1997, p. 11). Continuance commitment is defined as: “Continuance commitment refers to an awareness of the costs associated with leaving the organization. Employees whose primary link to the organization is based on continuance commitment remain because the need to do so” (Meyer & Allen, 1997, p. 11). The third component normative commitment is defined as: “Normative commitment reflects a feeling of obligation to continue employment. Employees with a high level of normative commitment feel that they ought to remain with the organization” (Meyer & Allen, 1997, p. 67). Of the three components, affective commitment is the most widely studied as it has consistent relationships with organizational outcomes such as performance, attendance, and retention (Meyer & Allen, 1997).

The Relationship between Workplace Training and Organizational Commitment

Literature on workplace training is not homogenous, nor is it clearly defined in definitional terms. Training as a concept is both complex and problematic. This is because workplace training is defined according to the perceptions of different researchers.

Workplace training is identified as a Human Resource Management (HRM) practice that contributes to an organization’s competitive advantage (Schuler & MacMillan, 1984). Lang (1992) suggests that workplace training be conducted to attain deliberate organizational commitment outcomes. Bartlett’s (2000) study of nurses in five public US hospitals has revealed that workplace training influences organizational commitment.

Legge (1995) asserts that organizational commitment is a complex phenomenon, which is intertwined with many factors, including an organization’s culture, and more specifically with the organization’s HRM policies and structure. Baruch (1998) agrees with Legge’s (1995) assertion, but goes one step further and argues that organizational commitment is in need of review, as the concept is becoming redundant in the new era of Industrial Relations policies and Human Resource Management practices. Some outcomes of this new era are continual change, which involves organizational restructuring, and employee redundancy. In such a climate of change, Baruch’s (1998) assertion, supported by Hirsch (1987) is that an employee’s organizational commitment cannot be high when the organization’s commitment to the employees is perceived as being low. This assertion is strongly countered by Meyer and Allen (1997), who argue that organizations are just becoming leaner and still need to retain a core of trusted and responsible employees, who are not only important but ‘are the organization’ (p5). Meyer and Allen (1997) maintain that because these core highly skilled employees are integral to the functioning of the organization and are required to maintain the organization’s competitive advantage.

Few studies have tested the complex patterns of relationships among antecedents, correlates and consequences of commitment (Mathieu & Zajac, 1990; Eby & Freeman, 1999), or workplace training (Bartlett, 2000). The authors found no Australian studies, which examined the relationship between workplace training and organizational commitment in either private or non-profit organizations.

Research Questions

In the past Australian training has been characterised by poor commitment from management, senior management in particular. This lack of commitment and understanding contributed to a paucity of appropriate and useful workplace skills, Australia desperately needed. This was confirmed by the Commonwealth Department of Employment, Education and Training (1991) who reported that much of the Australian industry did not see the need for training activities. The Karpin Report of 1995 further supported the general thrust of the 1991 report. However, the situation has changed today. In the last few years, the Federal Government has aimed at making its workforce more skilled, efficient and productive. Very seldom in politics, has there been such a dramatic shift in changing the image of the human resource development. Evidence of this shift can be seen in the changes at the policy level, in educational institutions, and in the workplace. It has paralleled, and been related to, the developments in award restructuring,
enterprise bargaining and workplace agreements. It has also occurred in a climate of structural change in industry and in the labour market.

With this background, the study attempts to answer the question as to whether there is a relationship between workplace training and organizational commitment in Australian organizational settings and, if there is a relationship between workplace training and organizational commitment, does it vary in different contexts? These questions led to the two hypotheses tested in this study:

H1: There is a relationship between workplace training and organizational commitment.

H2: There is a relationship between context, type of workplace training and organizational commitment.

Research Methodology

The study adopted a multi-method approach in the collection of data. Samples were drawn from four organizations including two five star hotels, an automotive manufacturer, and a non-profit organization. The sample included employees working at different levels within these organizations. The formal structure of all four organizations was characterised as a bureaucracy where traditional line and staff roles were clearly defined thereby determining lines of authority and responsibility. The lines of communication, information and direction tended to cascade down from the top.

Sample and Procedures

A questionnaire was administered to employees across all organizational levels. The questionnaire contained fifty items divided into three sections. Section 1 sought work characteristics; Section 2, which comprised multiple choice and open-ended questions, sought information on perceptions of workplace training opportunities, frequency, motivation and views of workplace training; Section 3, consisted of questions with responses using a Likert type scale, addressed organizational commitment; and Section 4 requested demographic detail.

Data was collected from two five star hotels, 90 questionnaires were administered with 30 usable questionnaires returned, yielding a response rate of 33%. At the time of the data collection, the hospitality industry was busy with the 2000 Olympic games, this could explain the poor response rate. In the automotive manufacturing organization, 25 questionnaires were administered with 23 usable questionnaires returned, yielding a response rate of 92%. In the non-profit organization, 20 questionnaires were administered with 11 returned yielding a response rate of 55%.

From the above it can be seen that for any survey to yield maximum responses it is vital that the survey be conducted at an opportune time. The gender of the total population sampled was 56.5% male and 43.5% female where 73.9% were employed full time, 13% part-time and 13% as temporary staff. Of these percentages 17.4% belonged to the managerial category, 8.7% belonged to the supervisory category, and 69.6% belonged to the worker category. Educational levels completed ranged from 21% VCE and below, 13% Certificate courses, 17% Diplomas, 39% undergraduates and 4. 4. 3% were postgraduates. Respondents who had experience in the workplace included 78% who had 0-3 years, 8.7 % 4-7 years and 8.7% 10 years and above. Over one-third of the respondents (34.8 %) were between 26-30 years of age. Semi-structured interviews were conducted with the four HR managers to gain an insight into the nature and degree of training being carried out in these organizations.

Measures

Section 2 contained seventeen questions related to workplace training. The questions reflected the degree of training provided by the organization to its employees, and asked, through multiple choice and open-ended questions the employee's view on training provided by their organization. Section 3 addressed Organizational Commitment employing the 24 item Allen and Meyer (1990) Organizational Commitment Questionnaire. Affective (Allen & Meyer, 1990, \( \alpha = .86 \)), Continuance (Allen and Meyer,1990, \( \alpha = .79 \)) and Normative (Allen & Meyer,1990, \( \alpha = .89 \)) components of the Organizational Commitment Questionnaire were measured. Responses utilised a five-point Likert type scale anchored in (1) 'Strongly Disagree' to (5) 'Strongly Agree'. The questionnaire was developed and then pre-tested with the group of four HR managers. This resulted in minor modifications to language, design and content of the questionnaire. Due to the small sample size (64), the two hypotheses were examined employing Pearson's
correlation between workplace training and organizational commitment across the three different contexts, which were identified as automotive manufacturing industry, hospitality service industry and non-profit organization.

Semi-structured interviews were conducted with the Human Resource Managers in their organizations. The key questions asked were "What is the role of training in this organization?" "Can you describe the function of training in this organization?", and "How does this organization identify the training needs of its employees?" The qualitative data was category theme analysed (Sarantakos, 1993).

Results

Quantitative Data

Hypothesis 1, that there is a relationship between workplace training and organizational commitment, and hypothesis 2, that there is a relationship between context, type of workplace training and organizational commitment, were examined employing Pearson’s correlation.

The Pearson’s correlation between workplace training and organizational commitment in the three different industries revealed the following:

Table 1. Correlations between workplace training and variables of training in the automotive industry

<table>
<thead>
<tr>
<th>Correlations</th>
<th>training opportunities</th>
<th>Training Frequency</th>
<th>motivation for training</th>
<th>View on training</th>
</tr>
</thead>
<tbody>
<tr>
<td>cumulative data across all categories</td>
<td>Pearson Correlation</td>
<td>.424</td>
<td>-.274</td>
<td>-.133</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.090</td>
<td>.271</td>
<td>.637</td>
<td>.718</td>
</tr>
<tr>
<td>N</td>
<td>17</td>
<td>18</td>
<td>15</td>
<td>18</td>
</tr>
</tbody>
</table>

In the automotive industry it was seen that training indicators, like training frequency and motivation for training, had a negative correlation with commitment. In other words, the less frequent the training programs in the workplace, the organizational commitment was lower amongst employees. The automotive industry in Australia employs a high percentage of blue-collar workers who have basic educational qualifications and have completed trade Certificate courses as part of their employment. Training in their view is an opportunity to grow within the Company and also acquire skills to seek jobs elsewhere if necessary. If the organization fails to provide opportunities for them to attend training, they see their management as not being attentive and the result is a negative impact on performance and commitment levels. The Pearson’s correlation for training frequency was $r_{xy} = -.274$ and for motivation for training the Pearson’s correlation was $r_{xy} = -.133$.

Table 2. Correlation between training variables and organizational commitment in the Hospitality Service Industry

<table>
<thead>
<tr>
<th>Correlations</th>
<th>training opportunities</th>
<th>Training Frequency</th>
<th>motivation for training</th>
<th>View on training</th>
</tr>
</thead>
<tbody>
<tr>
<td>cumulative data across all categories</td>
<td>Pearson Correlation</td>
<td>.149</td>
<td>-.129</td>
<td>-.617**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.496</td>
<td>.548</td>
<td>.002</td>
<td>.050</td>
</tr>
<tr>
<td>N</td>
<td>23</td>
<td>24</td>
<td>23</td>
<td>24</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

In contrast, in the hospitality service industry, training frequency and motivation for training had a negative correlation with organizational commitment illustrated with Pearson correlation scores of $r_{xy} = -.129$ and $r_{xy} = -.617$. The hospitality industry in Australia is labour intensive and operates with a high percentage of temporary staff of between 40 and 50% at the lower levels of the organization such as Front Office or Housekeeping. Temporary staff
include University students, who seek employment to cover their educational and living costs, and young people, who generally just work for the money. In both cases, the attrition rates are high. As a result, the motivation for these employees to attend training programs is relatively low, and secondly, with the increase in compulsion and frequency of training, it creates a ‘false sense’ of commitment. On the other hand, there was a positive correlation between employee’s views on training and commitment. In other words, the greater the positive views on training, the greater the degree of commitment.

Table 3. Correlations between variables of training and organizational commitment in the Non-profit Organization

<table>
<thead>
<tr>
<th>Correlations</th>
<th>training opportunities</th>
<th>Training Frequency</th>
<th>motivation for training</th>
<th>View on training</th>
</tr>
</thead>
<tbody>
<tr>
<td>cumulative data</td>
<td>Pearson Correlation</td>
<td>-.737</td>
<td>-.781*</td>
<td>.367</td>
</tr>
<tr>
<td>across all categories</td>
<td>Sig. (2-tailed)</td>
<td>.059</td>
<td>.022</td>
<td>.371</td>
</tr>
<tr>
<td>N</td>
<td>7</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.05 level (2-tailed).

In the non-profit organization, Pearson’s correlation of $r_{xy} = -.737$ for training opportunities and $r_{xy} = -.781$ for training frequency was revealed. Thereby showing training opportunities and training frequency had a negative correlation with organizational commitment. This shows that the lesser the frequency of training and lesser the opportunities provided for employees, the lesser is the organizational commitment.

Qualitative Data

The qualitative data from the four semi-structured interviews with the Human Resource managers was category theme analysed. The analysis revealed that the automotive industry Human Resource Manager perceived that the organization took a highly structured approach to workplace training. In contrast, the results from the hospitality and non-profit HR managers revealed that they perceived there was no structured approach to workplace training in their organizations. The qualitative results above were supported by the following comments.

Automotive Industry:
- HR and departmental heads regularly identified training needs as part of the performance appraisal system. In addition HR regularly surveyed employees as to their perceived workplace training needs.
- This company invests in employee workplace training and allocates between AUD$8,000 and AUD$10,000 per year for each employee.

Hospitality Service Industry:
- Training is one of the most neglected activities of the HR function.
- Our employees are expected to request training when they feel the need.
- A structured approach to training? You have got to be kidding...if you think we are going to do a training needs analysis, who’s got the time anyway?

Non-Profit Organization:
- There is little or no workplace training around here because the requirement for such training is linked to the availability of funds.
- Every time I put up my hand to look at employee training and development I am shrugged off saying “We don’t have the money to invest in training”.

Conclusions

Hypothesis 1, that there is a relationship between workplace training and organizational commitment, and hypothesis 2, that there is a relationship between context, type of workplace training and organizational commitment, were statistically confirmed. Analysis from the qualitative data from Human Resource Managers shed further light on these findings and was congruent with the empirical findings.
Interviews with the Human Resource Managers revealed that workplace training was seen differently in the various contexts. For example, the Human Resource Manager in the automotive manufacturing industry viewed workplace training as an important component in the automotive manufacturing organization. However, she felt the workplace training did not give the organization the desired organizational outcomes due to the employee's perception that management drove the workplace training agenda instead of the employees themselves. The Human Resource Manager in the hospitality service organization stated that workplace training was needs based and conducted upon employee request. However, orientation training was compulsory to all employees when they joined the hospitality service organization. The Human Resource Manager in the non-profit organization stated that workplace training was seen more as needs based function rather than seen as the organization’s commitment towards employee development.

The results in this study indicate there are inconsistencies between the NTRA policy and the way in which it is implemented in four Australian organizations, specifically in the hospitality service industry, automotive manufacturing industry, and the non-profit sector that operate with a bureaucratic structure. The results support Bartlett’s (2000) study that there is a relationship between training and organizational commitment. More specifically, the results show that workplace training and organizational commitment are context specific and vary from one organizational context to another. Therefore, one could infer that organizational culture, which is specific to each organization (McMurray, 1993; 1999; Sackmann, 1997; Schein, 1992), plays a role in the relationship between workplace training and organizational commitment.

The findings in this study challenge Baruch’s (1998) and Hirsch’s (1987) assertion that organizational commitment is becoming redundant in the era of Industrial Relations policies and Human Resource Management practices. All four organizations were undergoing some form of restructuring and change, yet commitment was still a varying factor in each context.

The results of this study contribute to the literature by uncovering the complexity of the relationship between workplace training and organizational commitment in different organizational contexts and industries thereby showing that the relationship between the two concepts is context and industry specific.

Implications for Human Resource Development

The preliminary findings in this study show that Australian organizations, specifically the automotive manufacturing industry, hospitality service industry, and the non-profit sector have a role to play in the implementation of NTRA policy to enhance their employees’ organizational commitment.

Whilst workplace training, a human resource practice, is formalized at the national level through policy, reality exists that there is often a gap when examining workplace training in our organizations. That is, even after more than a decade of workplace training policy, it is evident that there is a gap between the theory and the practice of workplace training. In order to lessen this gap, those in power to make workplace training decisions would benefit by creating a workplace training culture (Wallace, 2000) accessible to employees at all levels. This would result in increasing their employees’ organizational commitment resulting in improved workplace attitudes and behaviours such as increased productivity and effectiveness (McMurray, Scott & Pace, 2000), and reduced absenteeism and turnover (Bartlett, 2000). This supports Elsey (1997) who asserts that organizations need to emphasise commitment to the development of their employees in order to survive in today’s continually changing environment.

The literature reveals a relationship between the concepts of organizational culture and climate (Denison, 1996; McMurray, 1993) and that there is a positive correlation between organizational climate and organizational commitment (McMurray, Scott and Pace, 2000). Legge (1995) asserts that organizational commitment is intertwined with organizational culture. These concepts have been linked to organizational productivity, efficiency, effectiveness and Performance (Denison, 1996; Legge, 1995; McMurray, 1993; McMurray, Scott and Pace, 2000; Meyer & Allen, 1997). Therefore, the following proposed theoretical framework, in the form of a causal model, is viewed as a management tool rather than as a research paradigm. It shows the multivariate relationship between workplace training and organizational commitment and its relationships to possible organizational outcomes.

It could be surmised that the organization’s commitment to their employees influences the employee’s commitment to the organization. One way to foster an employee’s organizational commitment would be for leadership to actively demonstrate their commitment to the employees through Human Resource Development practices such as workplace training.

Finally, due to the small sample size (64) the range of statistical analysis approaches was limited. Any future studies would require a larger sample size so that more sophisticated statistical analysis could be employed.
Finally, a longitudinal study would show more accurate trends in the relationships between the various aspects of training and organizational commitment.

![Organizational Context Diagram](image)

Source: Adapted from McMurray (1999)

Figure 1. Causal model of Organizational Context, Workplace Training, Organizational Commitment, Organizational Climate, and Organizational Culture.

References


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