

# Analysis of the Influences of Training and Personal Development Programs on Organizational Results

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## Abstract

As organizations grow in size and complexity, the challenges they face and the number of employees needing training and personal development (TPD) programs increase. The research in this paper focused on analyzing employees' perceptions of training and personal development (TPD) programs and the effects that training, vocational training, and personal development have on performance in four public domain organizations. The paper aims to analyze the perceived impact of TPD on organizational results. The relationship between TPD and performance in the public sector has not been an intensively researched field in Romania, especially in terms of the impact perceived by TPD employees on individual and collective performance. The analysis was conducted among 327 employees of Romania's public and private sector organizations. The determination of the influences between the variables was performed by research based on multiple regressions. The results show that TPD programs significantly influence the organizational outcomes in the perception of the employees selected in the study. TPD programs for employees are an integral part of the organization's strategy. The need to invest in the workforce is stronger than ever, as the ability to compete depends on knowledge development.

## Keywords

training and personal development; organizational results; individual and organizational performance; labor productivity; profitability.

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## Introduction

The link between training and personal development (TPD) programs and organizational performance is yet a problem in the discussion. Moreover, companies tend to assimilate TPD to an expenditure more willingly than an investment that can bring profit by increasing labor productivity. Therefore, an essential asset in TPD programs does not repeatedly induce a comparative enhancement of performance and gains because of the inefficient management of TPD programs. On the other hand, the practical evaluation of TPD programs allows the organization to determine the efficiency or extent to which the desired expectations have been met. Therefore, TPD should be measured based on performance measures and outcomes, as this allows an assessment of the level of success and overall impact of TPD programs (Pollitt, 2007). However, the relationship between training and organizational results is not entirely clear. Various authors (Molina and Ortega, 2003; Vărzaru and Vărzaru, 2009; Nguyen, Truong, and Buyens, 2011) have empirically evaluated the relationship between training and organizational performance in various forms but still need empirical work to better describe this relationship, in many ways. That is why it is necessary to research the employees' perception of TPD programs and their confidence in these programs.

The paper pursues the proposed purpose over six sections. There is an exposition of the research topic in the first section, and in the second section presents a short review of the specialized literature. Section three

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and section four present the methodology and results of the research. Finally, the last two sections bring the discussions and conclusions of the study.

### 1. Literature review

In contrast, Wills (1998) states that the relationship between TPD and the organization's results is very complex, as the results are affected by different influences. Glaveli and Karassavidou (2011) suggest an indirect relationship between TPD and organizational performance. They argue that a formal, structured, and long-term approach to training and certain pre- and post-TPD conditions and activities will create positive perceptions of TPD value. Higher levels of job satisfaction stimulate employee loyalty, creating value for the organization (Vărzaru and Vărzaru, 2015, Vărzaru and Vărzaru, 2016). This value is reflected for customers through better quality of services and reciprocally through greater customer satisfaction and loyalty, which leads to improved profitability. Nguyen, Truong, and Buyens (2011) investigate the role of training and its impact on sound performance in some Asian economies; they suggest that TPD is positively related to organizational performance. In addition, Smith and Smith (2007) argue that TPD could play an essential role in human resource management practices. Costen and Salazar (2011), contained in TPD programs, are more loyal and willing to stay in their organizations. The need for companies to focus on building employee capacity and employee development to achieve job satisfaction can be highlighted.

While many organizations acknowledge the skills shortage in the labor market, there is a reluctance on their part to engage in TPD. However, they are aware that the results are significantly positive (Iancu et al., 2022). The main motive is a lack of information about the importance of TPD for organizations. In addition, organizations are interested in raising labor productivity and profitability in the shortest possible time (Vărzaru et al., 2012; Vărzaru and Vărzaru, 2013).

### 2. Research methodology

The empirical study underlying the research was conducted among 327 private and public organizations employees in Romania. A questionnaire was applied to employees, and the results were analyzed using multiple regression equations. Multiple regression analysis is used to determine the extent to which several different variables, namely running a TPD program and relying on the effects of TPD programs, help predict another variable, namely the results of organizing them. The formula behind multiple regression analysis is:

$$\rho_i = \alpha + \beta x_i + \sigma y_i \tag{1}$$

where:

- $\alpha$  – parameter of external variables,
- $\beta, \sigma$ - parameters of independent variables,
- $x_i, y_i$ - independent variable,
- $\rho_i$  – dependent variable,
- $i$  – the number of cases in the sample.

### 3. Results

The analysis model involves defining variables that illustrate organizational outcomes (labor productivity, profitability, overall individual performance, overall organizational performance) as dependent variables, running a TPD program, and trusting its effects as independent variables. Table no. 1 summarizes the resulting linear regression model with dependent labor productivity as a dependent variable and independent variables as the completion of a TPD program, and confidence in the effects of TPD as independent variables.

**Table no. 1. Multiple linear regression model applied to variables on labor productivity and vocational training and personal development**

MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,831a	0,691	0,686	0,68294

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	129,472	2	64,736	138,797	0,000
	Residual	57,835	124	0,466		
	Total	187,307	126			

COEFFICIENTS

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0,853	0,282		-3,028	0,003
	TPD	1,458	0,205	0,477	7,108	0,000
	Confidence in TPD	0,682	0,106	0,433	6,440	0,000

Note: a. Dependent variable: labor productivity

Source: Developed by authors

Table no. 2 presents the resulting linear regression model synthetically having as dependent variables the profitability and the completion of a TPD program and the confidence in the effects of TPD as independent variables.

**Table no. 2. Multiple linear regression model applied to variables on profitability and vocational training and personal development**

MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,774a	0,599	0,592	0,73870

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	101,013	2	50,507	92,558	0,000
	Residual	67,664	124	0,546		
	Total	168,677	126			

COEFFICIENTS

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0,635	0,305		-2,084	0,039
	TPD	1,382	0,222	0,477	6,231	0,000
	Confidence in TPD	0,552	0,115	0,369	4,818	0,000

Note: a. Dependent variable: profitability

Source: Developed by authors

Table no. 3 presents the resulting linear regression model synthetically having as dependent variable the overall individual performance and the completion of a TPD program and confidence in the effects of TPD as independent variables.

**Table no. 3. Multiple linear regression model applied to variables on overall individual performance and training and personal development**

MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,843a	0,711	0,707	0,69048

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	145,637	2	72,819	152,735	0,000
	Residual	59,119	124	0,477		
	Total	204,756	126			

COEFFICIENTS

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1,096	0,285		-3,848	0,000
	TPD	1,997	0,207	0,625	9,628	0,000
	Confidence in TPD	0,471	0,107	0,285	4,395	0,000

Note: a. Dependent variable: overall individual performance

Source: Developed by authors

Table no. 4 presents the resulting linear regression model synthetically having as a dependent variable the overall organizational performance and the completion of a TPD program and confidence in the effects of TPD as independent variables.

**Table no. 4. Multiple linear regression model applied to variables on overall organizational performance and training and personal development**

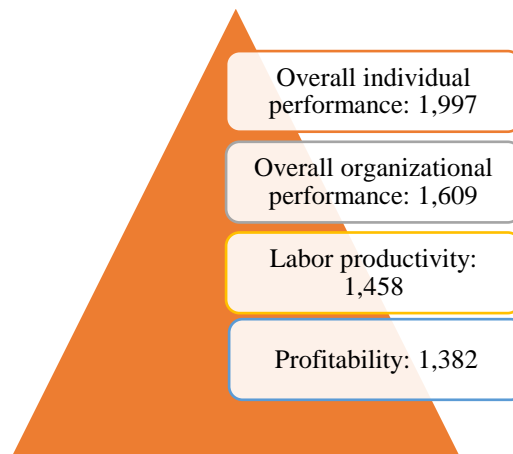
MODEL SUMMARY						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	0,818 <sup>a</sup>	0,669	0,664	0,70130		
ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	123,534	2	61,767	125,590	0,000
	Residual	60,985	124	0,492		
	Total	184,520	126			
COEFFICIENTS						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0,882	0,289		-3,048	0,003
	TPD	1,609	0,211	0,531	7,638	0,000
	Confidence in TPD	0,566	0,109	0,362	5,207	0,000

Note: a. Dependent variable: overall organizational performance

Source: Developed by authors

It can be seen from the analysis of the four linear regression models that the completion of TPD programs and confidence in the effects of these programs have significant positive results on organizational results, external factors of the model have negative values, and the significance of the models is increased.

In figure no. 1, we presented a hierarchy of the impact that the completion of TPD programs has on the different categories of organizational results.

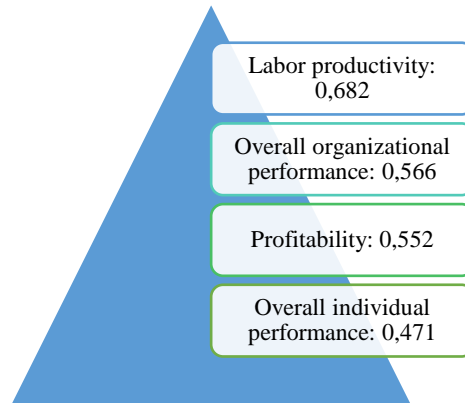


**Figure no. 1. Ranking the impact of the TPD programs on the organizational results**

Source: Developed by authors

From the analysis of figure no. 1, it can be seen that the completion of a TPD program has a significant influence primarily on individual and organizational performance, labor productivity, and profitability.

Figure no. 2, which illustrates the impact of confidence in TPD programs on organizational outcomes, shows a different hierarchy of influences. First of all, the confidence in TPD programs influences the labor productivity the most, then the general organizational performance, the hierarchy being concluded by the profitability and the general individual performance.



**Figure no. 2. Ranking the impact of confidence in TPD programs on organizational outcomes**

*Source: Developed by authors*

#### 4. Discussions

Well-trained employees increase the organization's productivity, and labor productivity increases production through better performance. The relationship between TPD and productivity can be traced to Becker's classic study (1993). Following the empirical research, we found that training improves the ability of organizations to perform and promotes better performance results. In addition, Senge (2006) argued that learning in an organization (through TPD) leads to knowledge acquisition, resulting in more knowledge exchange in the team, better motivation, and raised creativity. Therefore, improving knowledge and professional skills will positively influence productivity and performance (individual and organizational).

In the paper, we investigated the impact of TPD and confidence in TPD on organizational results in the perception of Romanian employees. Due to the research, we found that the completion of TPD programs and confidence in the effects of these programs have significant positive results on organizational results. Completing a TPD program has a considerable influence primarily on individual and organizational performance, while confidence in TPD programs mainly affects labor productivity. Other researchers highlight a positive relationship among TPD, confidence in TPD results, productivity, and workplace performance (Vărzaru and Vărzaru, 2009). In addition, Molina and Ortega (2003) have demonstrated that TPD exerted positive effects on organizational performance by raising employee satisfaction.

#### Conclusions

Following the empirical study, the analysis of the four linear regression models investigating the relationship between TPD and organizational outcomes leads to the conclusion that TPD programs and confidence in the effects of these programs have significant positive results on organizational outcomes, external factors of the model having negative values, and the degree of significance of the models is increased. Effective completion of TPD programs significantly influences individual and organizational performance in particular, while confidence in TPD programs has a particularly significant influence on labor productivity and overall organizational performance.

TPD programs have made a substantial contribution to improving employee performance. The most critical performance vector in an organization is to increase productivity. The best way to achieve this is through TPD. In addition, TPD plays an essential role in competitiveness, reducing the waste of time and resources.

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