

## Research on the Impact of Training and Personal Development on Individual and Organizational Performance

Elena Cristina Cernătescu

Andra-Nicoleta Ploscaru

Marian Cazacu

University of Craiova, Romania

[cernatescuelenacristina7@gmail.com](mailto:cernatescuelenacristina7@gmail.com)

[andraploscaru@yahoo.com](mailto:andraploscaru@yahoo.com)

[cazacumariantbm@gmail.com](mailto:cazacumariantbm@gmail.com)

### Abstract

*Training and personal development (TPD) contribute decisively to increasing the organizational capacity to meet the organization's strategy's objectives while providing employees with the opportunity to take up new jobs that can bring them more satisfaction. Therefore, TPD programs lead to increased organizational efficiency and effectiveness and generate high marginal productivity. TPD programs help workers develop their skills, knowledge, and abilities, which will ultimately help them make a substantial contribution to increasing labor productivity, organizational performance and increasing profits supported by the development of personal knowledge, skills, and abilities. The challenge to which this article aims to respond was to establish a methodological framework based on the investigation of the relevant literature in TPD and lay the foundations for an empirical study on the impact of TPD on individual and organizational performance.*

**Key words:** training, personal development, individual performance, organizational performance

**J.E.L. classification:** M53

### 1. Introduction

To survive in an increasingly globalized economy, organizations focus on increasing employee learning to develop additional skills and competencies (Beardwell and Claydon, 2010). Employee skills and knowledge are a competitive advantage that distinguishes the organization from other organizations. To meet the challenges posed by an increasingly globalized world and the expansion of information and communication technologies, many organizations use TPD programs to build the skills needed for organizational activities among existing employees.

TPD programs are fundamental pillars of the organizational growth strategy, improving productivity, and maximizing corporate profits.

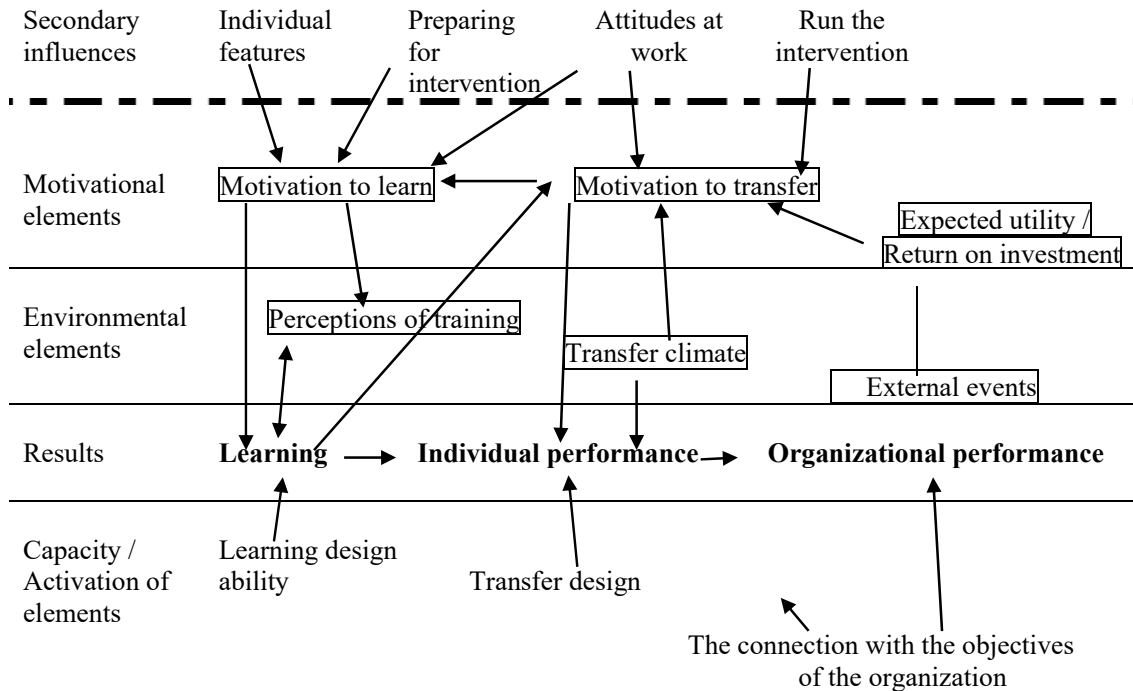
The paper contains five sections. The first section provides an introduction to the research issue and the second section makes a brief theoretical background of the researched issue - the impact of training and personal development on individual and organizational performance. The third section describes the research methodology. The fourth and fifth parts synthesize the conclusions of the research.

### 2. Theoretical background

Bates et al. (2012) presented a research model, which relates the human resource development process outputs to the defined skills, motivation, and environmental influences, which they conceptualized on three levels: learning, the individual, and the organization. Employee motivation is also determined by a secondary variable that targets the employee's characteristics (Varzaru et al. 2012; Varzaru and Varzaru, 2013, 2015). The model of Bates et al. (2012) illustrates that the output

of TPD programs is learning, contributing to improving individual and organizational performance (Figure 1). Bates et al. (2012) emphasized that improving individual and organizational performance is a fundamental goal of the TPD. (Holton, 1996; Bocean, C. G., 2007; Varzaru, 2015).

Figure no. 1. Research model of human resources development



Source: Adaptation after Holton (1996)

Senge (1999) focused on the need for lifelong learning at the individual and organizational levels. He stressed that organizations that want to survive in a competitive environment would depend on learning. Skills or competencies that lead to qualitative capital growth translate into increased productivity, which, at the individual level, has positive results such as promotion (Sitnikov and Bocean C.G. 2010; Sitnikov et al. 2017). Becker (1993) showed how investing in an individual's education, and training is similar to investing in equipment. He said that ultimately education and training are essential investments in human capital.

### 3. Research methodology

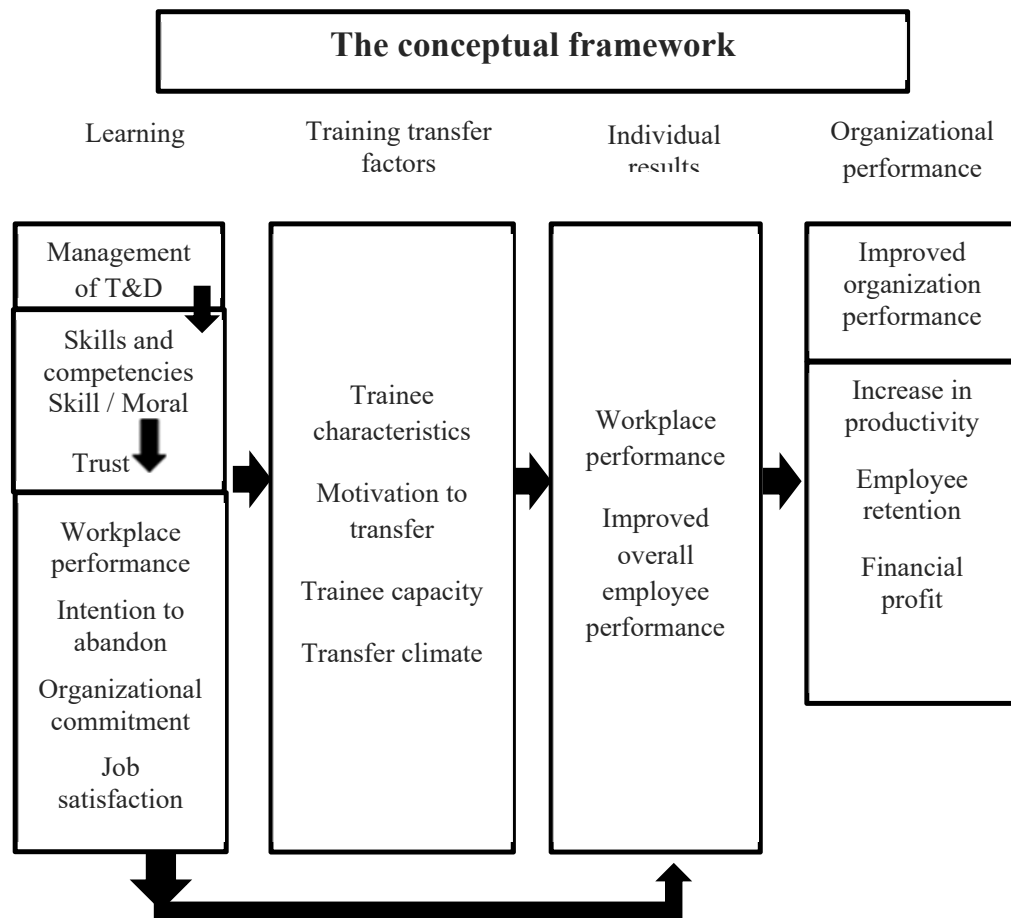
To build the methodological framework of the research of the effects of the professional training and personal development programs, we carried out exploratory research. We used deductive and inductive analysis techniques, synthesis, and generalization of the studied concepts.

The conceptual model is based on Holton's (1996) research model and Holton and Bates's (2008) Learning Transfer System Inventory (LTSI) measurement model, as well as the authors' research results (Figure 2).

This framework is based on the fact that an effective TPD system is the starting point for the efficient and systematic planning and administration of an TPD strategy. The model starts from the hypothesis that TPD can improve employee skills, which generates an improvement in:

- job performance,
- organizational commitment,
- reduced intention to leave
- job satisfaction.

Figure no. 2. The conceptual framework of the research



Source: Adaptation after Holton and Bates, (2008)

#### 4. Findings

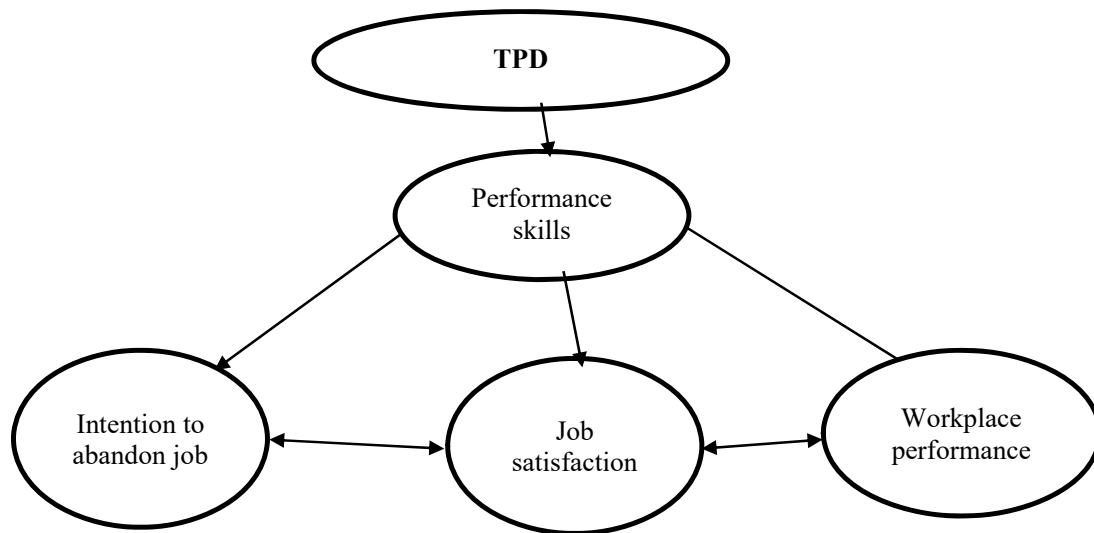
Following the specialized literature research, the set of relationships illustrated in figure 3 presents a positive correlation between TPD and the following variables: skills, competencies, professional performance, professional satisfaction, and a negative correlation of these variables to abandon employees.

**A. Workplace performance.** In general, a positive relationship between TPD and performance in the workplace can be observed from empirical studies' research. Employee development generates an increase in the level of knowledge and skills fund and creates a synergy effect that allows them to perform specific tasks to improve their performance.

**B. Job satisfaction.** TPD results in the accumulation of skills and knowledge, leading to increased efficiency and a reduction in working time, which translates into increased self-esteem and morale, and ultimately into increased job satisfaction.

**C. Abandonment rate.** TPD programs have a beneficial effect on reducing staff dropout rates and encourage a desire to contribute to the organization's overall objectives. Every employee wants to stay in an organization where they will be more competent and remain valuable, efficient and competitive.

Figure no. 3. The conceptual framework for researching the outputs of TPD programs



Source: Developed by author

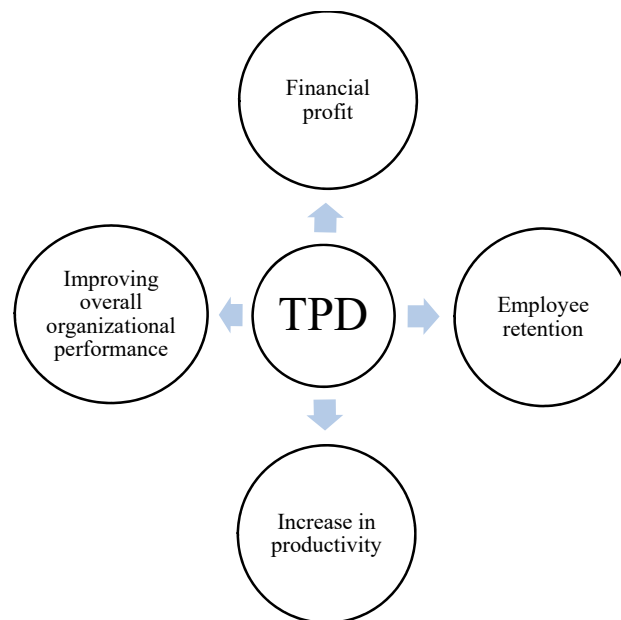
Following the research of the specialized literature, the set of relations at the organizational level illustrated in figure 4 presents a positive correlation between TPD and the following variables: increase of productivity and performance, retention of employees, profitability.

**A. Increase in productivity and performance.** Employees in a TPD program increase the organization's creativity, and creativity ultimately leads to increased productivity due to increased efficiency and effectiveness.

**B. Retention of employees.** Employee retention is an essential driver in ensuring the performance of the organization that offers TPD programs.

**C. Profitability.** Interventions in the field of TPD are the basis of the organization's success and profitability, contributing to organizational objectives. No organization can be profitable until human resources are competent, efficient, effective, and productive.

Figure no. 4. Conceptual framework for assessing the relationship between TPD and organizational performance



Source: Developed by author

However, TPD does not always generate increased profitability or increased profit. According to Blanchard and Thacker (2010), some organizations have failed in TPD processes, gaining little added value due to training systems' inefficiency or their non-adaptation to the organization's culture.

## 5. Conclusions

A work environment that encourages TPD generates a positive impact on employees' skills, knowledge, and abilities, which positively influences the organization's overall performance. We can say that TPD programs are the basis for improving performance in the workplace. Through this research, we aim to contribute to the stage of knowledge by presenting the essential practices in training and personal development, which were developed following the literature's research.

The link between TPD programs and organizational performance is another somewhat controversial topic of debate. Most organizations, however, tend to view TPD programs as an expense instead of an investment that will generate positive returns. Therefore, an essential investment in TPD programs does not always translate into a proportional improvement in organizational performance due to poor management of TPD programs.

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