

## **Topic**

Impact of Training and Development on Employee Motivation

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# **1. Introduction**

## **1.1 Background**

### **1.1.1 About the organisation and the industry**

Janashakthi Insurance is one of the prominent insurance companies in Sri Lanka. The company has been functioning in the insurance industry for several decades while beating the competition effectively. The company is delivering the insurance solutions to the Sri Lankans considering the needs and demands of the day to day lives of the Sri Lankans.

The insurance industry is a highly competitive industry in the country. Therefore Janashakthi is offering various differentiated service solutions to the Sri Lankan market to achieve the competitive position to the business organisation.

In the insurance industry, the insurance employees have the better opportunity to approach the customers and improve the sales and revenue generation. Therefore the training and development is given with higher importance by focusing the overall skill and capability development of the employees.

### **1.1.2 Current situation**

As any other organisation in the industry, Janashakthi is also providing the necessary training and development opportunities to the employees. However the provided opportunities have many potential improvements to be made to ensure the current development needs of the employee.

Not limited to that the current freedom of the employees for the participation of the T&D functions is limited. The management encouragement for the employee participation for T&D functions are also limited as well. Therefore the employees are delivering somewhat negative participation potential to the T&D functions of the company.

However the company is in the need of developing the organisational functions effectively. The employees are given with higher performance expectations and it is essential to assess the current level and potential improvements to be made in the training and development of the company.

## **1.2 Purpose of the research**

The main purpose of the research project is to identify the impact of the training and development on the employee motivation in the company. Many previous research findings

and the available literature of the HRM subject scope indicated the positive relationship between the training and development and employee motivation. When the employee motivation is improving it would support the overall organisational processes and functions. The relationship among all these considerations will be measured during the research and relevant suggestions and recommendations for the improvement will be proposed during the research.

### **1.3 Rationale of the research**

The development of the employees are targeted by every organisation in the world. Mainly when it comes to the insurance service industry the employees should have higher level of people skills and decision making skills to ensure the expected level of performances. Therefore the companies of the insurance industry should be able to improve the training and development functions to ensure the skill and capability improvement of the employees.

However the proposed research will evaluate how the training and development functions would affect the employee motivation. When the factors have positive relationships the management can improve the organisational training and development functions to ensure the development of the employee motivation in the company. The knowledge and findings generated by the research will ensure the improved decision making in the company and it is supportive to the overall development of the company as well.

### **1.4 Objectives and aims**

#### **1.4.1 Research objectives**

Below it was mentioned the research objectives of the proposed research project

- To identify the main purposes of training and development, as well as the internal and external influences on training.
- To ascertain the training and development policy in operation at Janashakthi Insurance.
- To indicate and explain the training and development practices and processes including opinions of training needs and the processes of monitoring and evaluating the plan.
- To find out whether training and development scheme which shows positive effect on the employee motivation in the workplace.
- To conclude and make recommendations to the higher management to provide training and development to increase employee motivation.

### **1.4.2 Academic aims**

Below mentioned academic aims will be achieved during the research project.

- Improve awareness of research conduct effectively to find the necessary solutions to certain issue or area in the organisation for the development.
- To improve the analytical and decision making skills of the author.
- To improve the skills and capabilities which are related to the implementation of academic knowledge in practical solution and decision making.

## **1.5 Significance**

The research findings would deliver both practical benefits to the company or the industry and academic benefits to the selected research subject scope. Based on that below it was mentioned the practical significance and academic significance of the proposed research.

### **1.5.1 Practical significance**

The research is focusing on identifying the impact of training and development on employee motivation improvement of the company. Based on the research findings the management would be able to identify the relationship between the two factors and it would help the management to improve the training and development functions in the organisation to improve the positive factor establishment for the motivation development. The motivation would ensure the employee commitment to the work effectively and it is supportive to the overall organisational performances. It would help the organisation to gain competitive advantages in the company through the capability improvement of the company.

### **1.5.2 Academic significance**

The research will add new knowledge to the HRM subject scope. The current theories, current findings and existing hypothesis in the subject scope will be further evaluated through the research and the findings will define the acceptance of the current literature. The new knowledge will improve the theoretical or literature availability of the Sri Lankan context as well. Not limited to that the current findings of the research can be further used during the future research activities as secondary data as well.

## **2. Literature review**

### **2.1 Types of motivation**

Mainly the intrinsic factors would affect the employee motivation and they would achieve their best to make the organisational processes much better (Baker, 2007). The extrinsic motivation would be provided with high levels in the organisation, but to improve the organisational processes by themselves the employees should have high level of intrinsic motivation (Baker, 2007). The intrinsic motivation would encourage the employees to face the challenges of the organisational processes with much steady face (Eisele et al., 2013). The employee would be able to build up high level of confidence due to the intrinsic factors and they would encourage themselves alone to achieve the organisational goals (Eisele et al., 2013).

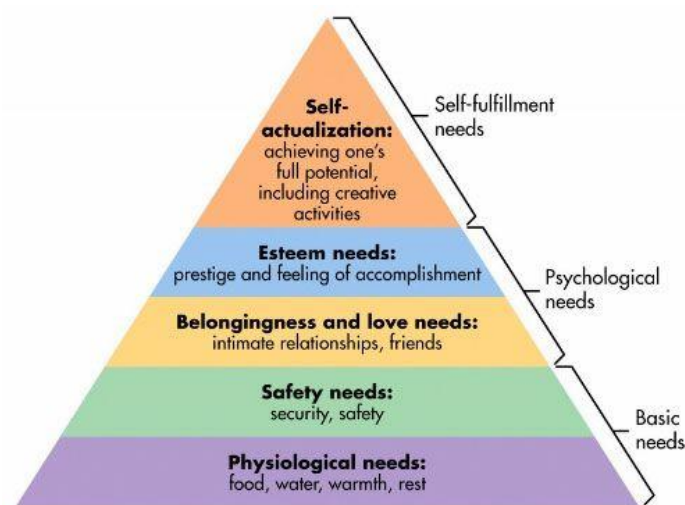
Actually this has extrinsic motivational impact as well. Because the employee would work much harder to achieve the benefits and he would build up their own abilities to improve their organisational performances with the expectations of achieving the benefits (Rajeswari and Palanichamy, 2012). But intrinsic motivation would not expressed that the employee would require to achieve the benefits (Rajeswari and Palanichamy, 2012). They would do the tasks for the sake of the organisation and its improvements. Some employees who has high level of intrinsic motivation would not hope to get the benefits through their performances (Brown and Hawkins, 2013). They work well to achieve the organisational goals and improve the organisational status in the market. Since the organisation is elevating in the market the employee would also be benefited well because of the high level of performances which would create the win-win situation in the organisation (Rajeswari and Palanichamy, 2012).

### **2.2 Theories of motivation**

Motivation is a critical factor in the field of HRM (Baker, 2007). The motivated employee would give high level of performances to the organisation. Since they have high level of morale they would give their maximum capabilities to their organisational tasks (Brown and Hawkins, 2013). It was identified that the motivation is much trickier because there are various factors that would affect the motivation of the employees. The employee would have certain expectation of their personal life and professional life (Punnett, 2015). Sometimes these expectations are just but sometimes those expectations are unrealistic. Anyway when the employee is not getting the enough support to fulfil his expectations from the environment he would be demotivated. This demotivation would make the employee inefficient because he would not have the high level of satisfaction in the organisation (Eisele et al., 2013). The

dissatisfied and demotivated employee would think much about the factors that are affecting their satisfaction and therefore the employee would not be able to work in the organisation with clear status of the mind (Korzynski, 2013).

The motivation is a much important concept and many researchers in the world have identified various aspects to improve the employee motivation (Studer, 2012). Many organisations are using those theoretical models to improve the motivation in the organisation. Maslow's hierarchy of needs is a well known motivational theory (Studer, 2012). The theory would express step by step approach to the motivation of the employees. Below figure depicts the major steps of Maslow's theory.



*Figure 1 Maslow's hierarchy of needs*

According to the above figure the steps of the needs can be majorly categorised into the basic needs, psychological needs and self fulfilment needs (Panagiotakopoulos, 2013). The theory suggests that the employee should first have all of his basic physiological and safety needs work well in the organisation (Dysvik and Kuvaas, 2008). When the person has the basic needs he would consider the satisfaction of the mind. They would request belongingness and love needs to maintain the mental balance and they need to improve their esteem needs to define themselves in the society. Afterwards the person would need self actualisation needs to define himself in the society (Panagiotakopoulos, 2013).

Herzberg two factor theory is another motivational model that can be used for the purpose of motivating the employees (Korzynski, 2013). According the two factor theory it can be identified two major factors that defined as the hygiene factors and motivation factors (Studer, 2012). The hygiene factors would be essential factors that the employee should have to perform



well in the organisation. Without the hygiene factors the employee would not be satisfied in the organisation and lack of hygiene factors would create employee dissatisfaction (Avgoustaki, 2015). Adequate levels of the hygiene factors would ensure the employee satisfaction and positive feelings towards the job role and the organisation. Satisfied employees can be motivated through the motivational factors (Dysvik and Kuvaas, 2008). As per the theory the management would require to provide positive working environment first and then they should consider the employee motivation in the organisation (Dysvik and Kuvaas, 2008).

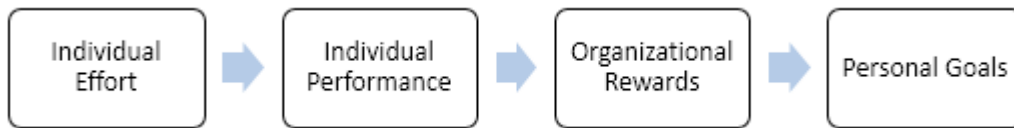
Theory X and Theory Y is another motivation theory which would encourage the management to see the employees according to two major perspectives (Studer, 2012). Theory X suggests that the employee would not prefer high level of working in the organisation to achieve high level of performances (Panagiotakopoulos, 2013). The employee would be lazy and careless and therefore the management should manage the employees accordingly to achieve the high level of performances in the organisation (Talwar and Thakur, 2016). The proper guidance and control would achieve the organisational expectations of the employees. Theory Y suggest completely different perspective to the situation (Talwar and Thakur, 2016).

It suggests that the employee is preferring show high level of performances and they would not require much of attention and guidance (Studer, 2012). The employee would have the capability of managing himself alone and they would not need much of guidance. This theory X and Y approach can be used in many scenarios. Mainly the theory X can be implemented on the employees who do not have high level of qualifications (Studer, 2012). They are not capable of making management decisions and therefore they should be handled by the organisational management. But theory Y can be used for the employees who have high level of qualifications. Since they have high level of qualifications they would not need much of guidance to conduct the organisational processes (Dysvik and Kuvaas, 2008). Those employees are capable of making management decision by their own and they would do the most suitable thing when the time comes (Dysvik and Kuvaas, 2008).

Expectancy theory is a mathematical model developed by Victor Vroom which have not only focuses on the needs of the employee but on the output based on their effort. This theory is widely accepted among academia and business community because of the availability of real life evidence which supports it (Eisele et al., 2013).

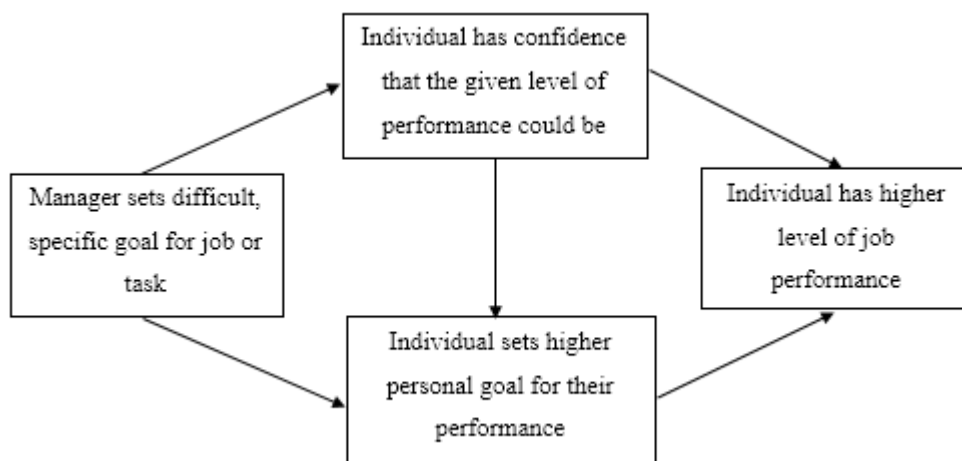
The theory consists of three variables which are necessary for motivation; valence, instrumentality and expectancy. Valence is the value of the outcome of work, instrumentality

is the link between one outcome and another and expectancy is the belief that efforts would lead to a specific outcome (Eisele et al., 2013). The foundation of the theory is that employees would perform a job with more than average effort if they believe it would lead to the desired results.



*Figure 2 Expectancy theory*

The expectancy theory focuses on three relationships namely effort-performance relationship which is basically the belief of the employee that specific effort would convert into performance (Rajeswari and Palanichamy, 2012). Performance-rewards relationship is the performance level would inturn generate the desired outcome and the rewards-persoanl goals relationship is the match between organizational reward and the desired personal goals of the employee as illustrated in the figure above (Rajeswari and Palanichamy, 2012). Thus the undertanding of the link between the three relationships mentioned is crticial to apply it successfully in a real life business.



*Figure 3 Goal setting theory*

The idea behind this theory is that setting specific goals would lead to higher productivity alternative to being told to perform at the best level because the specific goal would motivate the individual internally to work harder to achieve it (Eisele et al., 2013). For an example a truck driver who has been given a specific goal to cover to 12 weekly rounds of trips would outperform a driver who has been just told to “Do your best”. Employees tend to become more

motivated with difficult goals since they keep them more focused on work and since it requires more drive and effort, it would consequently increase the energy of the employee (Brown and Hawkins, 2013). It also influences the employee to become more innovative in order to be more efficient and effective on the job. All of the above will be rounded up with a feedback session where the employee would be able to measure current achievement against where they wanted to be (Brown and Hawkins, 2013).

## **2.3 Factors of employee motivation**

Intrinsic motivation is the dream of the management of an organisation (Brown and Hawkins, 2013). When the employees of the organisation would have high level of intrinsic motivation, that indicates the management and the organisational environments are functioning much positively towards the employees (Baker, 2007). The employees are performing much better to achieve the high level of performances without much of benefit expectation from the organisation. The employees would build up their own motivation and work for the best of both the organisation and themselves (Baker, 2007).

- Challenge – The employees should be challenged by the assigned tasks. The high level of challenges would encourage the employee to think much creatively and innovatively in the organisation (Eisele et al., 2013).
- Curiosity – The employee would have curiosity over the new processes of the organisation. When the new technological changes are happened in the organisation the employees would grow their curiosity and find out more about those new technologies to improve their awareness because of the curiosity (Eisele et al., 2013).
- Control – The employee like to feel more control on the processes. Because of that they tend to take high level of responsibilities in the organisation to achieve high level of control in the organisational processes (Eisele et al., 2013).
- Fantasy – People would have various expectation for their personal growth (Rajeswari and Palanichamy, 2012). They always fantasise their future development and those fantasies would encourage the employee to work much harder to achieve their personal growth inside the organisation.
- Competition – The competition is a good for the employees to improve themselves in the organisation. This competition would encourage the employees to overcome the competition by adopting new development and improvements in the organisation.

- Cooperation – The employee would help the other employees to conduct the business functions in the organisation. The high level of cooperation can be seen in the teams and the leaders of the team would encourage the employees to be cooperative when conducting the business as a team in the organisation (Rajeswari and Palanichamy, 2012).
- Recognition - Employee recognition can be provided by the management of the organisation. The management can always encourage the employees with recognition when they are highly performing in the organisation (Baker, 2007).

The management can deliver various extrinsic motivation factors and the extrinsic motivation factors can be controlled by the management during the operational processes. The extrinsic motivational factor can be classified into the financial and non-financial benefits based on their nature and value (Rajeswari and Palanichamy, 2012). Some of the non-financial benefits are related to the intrinsic motivation factors which were discussed above (Fitz-enz, 2009).

- Financial rewards
  - Pay increments
  - Bonuses
  - Performance based pay
  - Profit sharing
  - Retirement benefits
- Non financial rewards
  - Job security
  - Employee empowerment
  - Better employee titles
  - Job promotions
  - Development opportunities

## **2.4 How T&D impact on employee motivation**

When the employee is functioning better in the organisation, the management of the organisation would appraise it (Sankey and Machin, 2014). The high performances of the employee would fulfil the organisational expectations and the overall performances of the organisation would go higher due to that. Well performing organisations would be able to improve its revenue and that would be beneficial to the employees because it would improve the employee benefits in the organisation (Green, 2006). This circle can be go on and such

organisation can be named as well performing organisation in the environment. But when the employee is not performing well all those would go another way and the organisation would slowly perish away from the market due to the lower level of performances (Green, 2006).

The employee has the knowledge and that knowledge would be tested when the organisation was hiring the employee. The essential educational qualifications should be achieved by the employee as it was expressed in the job specification of the company (Talwar and Thakur, 2016). But when the employee comes to the organisation he should have good level of awareness of assigned job role of his. If he would not get the awareness properly the employee would not perform up to the expected level of the organisation (Panagiotakopoulos, 2013). Since the employee is not performing well they would have self-doubts and they would assign the blame to themselves or to the management. The management would demand the employee to work better, but the employee would not have a clear idea about how to achieve that expectation (Green, 2006).

This would lead to the conflicts and eventually this would make employee dissatisfaction in the organisation. The company would not be a pleasant place to work anymore and the employee would feel that they are not welcome in the organisation (Studer, 2012). Most of them suffer in silence and leave the job when they have enough of negative feelings. This can be corrected through training the employee (Sankey and Machin, 2014). Training programmes would give all the essential knowledge to the employees to perform better in their jobs. The employee can ask question about their ongoing matters during the training programmes and clear their mind about the unclear functions of the organisation (Sankey and Machin, 2014).

Sometimes the management assume that the employee would not need training continuously and they would see that as a waste (Panagiotakopoulos, 2013). This can be mainly seen in the job roles where the job required to be done by highly educated employees. Since they are highly educated the management would assume they would quickly address the ongoing challenges of their jobs (Dysvik and Kuvaas, 2008). But this is not true. It does not matter the educational level of the employee. The continuous assessment of the training need should be carried out in the organisation and necessary training and development should be provided to the employees by targeting the improvement of the employee in the organisation (Panagiotakopoulos, 2013).

Training and development would fill the knowledge and skill gaps of the employee and because of that they would be able to perform better in the job (Studer, 2012). It would make fulfilment and joyful feelings in the employee's mind which would improve the job satisfaction and

motivation. Training and development is not the only factor that would affect the job satisfaction and motivation (Studer, 2012). Various other factors would have the impact to the job satisfaction and motivation. But if the organisation failed to offer the essential training and development needs to the employees, eventually it would improve the employee dissatisfaction and the overall organisational performances would be dropped due to that (Dysvik and Kuvaas, 2008).

### **3. Methodology**

#### **3.1 Research data types**

The research process expects to collect two major types of data to the research. Below it was mentioned the types of main data to the research.

Primary data – Primary data will be collected from the participants of the research. The research participants will be presented with a questionnaire and their inputs to the research will be considered as the primary data.

Secondary data – The secondary data to the research is collected from the written sources. Mainly the literature articles, books and various other reference materials will be used by the researcher to collect the secondary data to the research. The secondary data to the research will fill the gaps of the primary data and also it supports to build theoretical foundation to the research as well.

#### **3.2 Research approach**

The research approach of the study is the quantitative research approach. Under the quantitative research approach the data will be collected under the mathematical evaluation structure and mainly the statistical and mathematical relationship between the factors would be mainly considered.

The research sample will be given with questionnaire and their inputs would be assessed under the statistical descriptive analysis. It would show the number of acceptances and negligence of the given questions which would show the considerations and perceptions of the research participants.

#### **3.3 Data collection methods**

The primary data to the research would be collected using the structured questionnaire. The participants would be presented with the questionnaire and inputs would be gathered as the primary data. The secondary data to the research would be collected through the previous research reports, internet sources, books and various other written materials. All the primary and secondary data to the research would be assessed and analysed to deliver the final conclusions and recommendations to the company.

### **3.4 Data collection instruments**

The defined sample of the research will be given with a questionnaire. The questionnaire is in the structured manner and it specifically designed to capture the quantitative data to the research. The questionnaire will be developed using the Likert scale and the inputs of the questions can be rated according to the scale. Not limited to that the participants of the research will find it flexible to answer the Likert scale questionnaire without making any kind of gaps. During the data collection the researcher expects to closely monitor and handle the participants to ensure the higher validity of the data gathering to the research.

### **3.5 Sampling and research sample**

Due to the limited timeframe and the limited resource allocation for the research it is expected to gather inputs from 70 participants to the research. The inputs of the 70 participants would define the different level of perception of the selected subject scope while delivering a generalised input to the research. Not limited to that the simple random sample selection would be done when gathering the participants to the research and it would ensure the mixture of the various demographic factors of the participants.

The participants will be given with proper awareness of the research and define the objectives clearly. Their positive written consent for the participation to the research would be gathered and allow them to answer the research questionnaire with proper assistance

### **3.6 Data analysis**

The data analysis of the research will be conducted considering the descriptive statistical analysis methods. The frequencies of the data inputs would be measured mainly during the analysis of the data and the analysis outcome will be presented with the explanation and narrative statements. Mainly the charts and tables will be used for the assessment of the research inputs.

### **3.7 Pilot testing**

### **3.8 Limitations**

Every research has its limitations. The proposed research also has the limitation which is focused on the subject scope, sample, topic, data collection. This study covers only the factors related to Janashakthi Insurance.



The research is given with limited time and resources. Therefore the data collection activities are limited to one smaller sample and operations of one company. Expansion of the data collection is a bit harder and limited due to that. The main topic or main research problem is focused during the research while limiting the assessment of other factors which may deliver impact according to the current literature findings. However, the research expects to conduct the research activities without taking a higher impact from the limiting factors of the research. All the research activities are done to ensure the quality outcomes of the research while utilising the allocated resources effectively

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