

EXPECTED TRAINING BENEFITS AND ORGANIZATIONAL COMMITMENT: A STUDY OF THE NEPALESE SERVICE SECTOR

Dhruba Lal Pandey
Lecturer

Nepal Commerce Campus

Minbhawan, Kathmandu. TU.

Abstract

This article examines the relationship between the beliefs of officer level employees of service Sector of Nepal regarding training benefits as measured by the benefits of employee training (personal, continuous and job-related) and organizational commitment as measured by the three component model of organizational commitment. This association was assessed through a quantitative study utilizing survey methodology with non-experimental correlational descriptive and analytical research design. Total service sector is considered as the population but only four organizations were selected as sample (Nepal Bank Ltd., Rastriya Banijya Bank, Nepal Electricity Authority and Nepal Telecom). A total of 89 responses were analyzed using regression model. The finding suggests that there is positive relationship between employees' belief regarding training benefits and organizational commitment. Case study of Nepal Bank Ltd. and Nepal Electricity Authority was undertaken to see the relationship between organizational commitment and organizational performance. Finding of the case study is also positive. Age and position of employees was not significant predictor of organizational commitment in Nepal but tenure of employees seems as the significant predictor of commitment.

Background and Rationale of the Study

Training refers to the acquisition of knowledge, skills and competencies as a result of teaching practical knowledge that relate to specific useful competencies (Reilly, 1979). Training in Nepal is taken as the compliance of the rule rather than need of the employees for the development of their skills and competencies (Joshi,1975 and Adhikari, 2000) . As Pradhan (1997) remarked that enterprises considered to the training record for the promotion of the staffs. Noe and Wilk (1993) suggested that attitudes and perceptual variables have a significant effect on development activity including training. An attitude is a psychological tendency that is expressed by evaluating a particular entity with some degree of favor or disfavor (Eagly & Chaiken, 1998). Further, Ajzen, 1991). The favorableness of individual's attitude toward training has been linked to his or her level of training motivation (Ford & Noe, 1987; Noe, 1986), motivation to attend training (Facteau *et al.*, 1995). Price and Mueller (1986) are prepared to say simply that "commitment is loyalty to the organization". Mowday *et al.*(1984) defined commitment as;

- A strong belief in and acceptance of the organization's goals and values.
- A willingness to exert considerable effort on behalf of the organization.
- A strong desire to maintain membership of the organization

There have been several studies reported on training and organizational commitment in western countries, very little research has been done in HRM issues in Nepal. Separate studies were made in the HR practice and commitment even there were some studies related to training design, training situation and exploring commitment situation in Nepalese environment but research related to training effectiveness, linking training benefits and organizational commitment and testing the relationship between training, commitment and performance considering to individual character is an entirely new and untouched topic in Nepal.

Review of the literature on employee training and organizational commitment suggests that there is a relationship between employee training and organizational commitment (Bartlett, 2001, Becker, 1975; Grossberg, 2000; Lang, 1992, Meyer & Smith, 2000; Pinks, 1992; Tannenbaum *et al.*, 1991). However, the nature of this relationship has not been clearly delineated. For example, there continues to be lack of empirical studies that identify which benefit of

employee training (personal, career and job-related) is the best predictor of which component of organizational commitment (affective, continuance and normative).

Researchers and practitioners have invested considerable time, effort and money in identifying the importance of employee training and organizational commitment and the effect of age, tenure and position on commitment as well the effect of commitment in performance over the past 30-plus years, and varied studies have linked organizational commitment to a variety of factors. Marsh and Mannari (1977) reported early on that ‘there has been a continuing interest in the commitment of employees to their organization. More recently, Tobias and Fletcher (2000) add that ‘training is a vast and costly activity that affects a huge segment of the workforce at any point in time. Lang (1992) suggests that employee training and development should be designed to achieve increased organizational commitment. Pink (1992) writes that ‘irrelevant training programs may negatively affect organizational commitment. Grossberg (2000) asserts that employee training across genders is strongly associated with longer durations of employment. Meyer and Smith (2000) document the existence of a link between organizational commitment and training. Bartlett (2001) reports the existence of a strong relationship between training and organizational commitment. All of these findings point out an awareness of the significance of the relationship under study.

Tan and Akhtar (1998) support the fact that age and tenure do not correlate significantly with normative and affective commitment. Organizational position is known to correlate negatively with normative and affective commitment. Ahmad and Bakar (2003) found that age and tenure were not significant predictors of overall organizational commitment. The results of the study of Al-Emadi and Marquardt (2007) in Qatar Petroleum have revealed that personal benefits of employee training and age are significantly related to affective and normative commitment, and career benefits of employee training and years of service are significantly related to continuance commitment.

The banks and service sector are the focus of the study for a number of reasons. First, there is no empirical research that examines the relationship between employees’ expected training benefits and employees’ organizational commitment in this type of organizations. Yet these organizations are at the epicenter of the economy. Second, these organizations spend large amount in training its workforce, yet it is unknown if training has any impact at all on how committed those employees feel towards the company. Third and finally, understanding the relationship between organizational commitment and employee training may help to reduce costs associated with employee turnover, recruitment and training. Becker (1975) reports that investment in firm-specific human capital reduces the probability of employee turnover. Grossberg (2000) adds that employee training across gender is strongly associated with longer durations of employment. Very few researches were conducted in training but no attempt has been made associating training benefits with organizational commitment in Nepal.

The overarching research question that guided this study is: what is the relationship between employees’ expectation regarding training benefits and the commitment? The following sub-questions derived from components of the two constructs under study were addressed:

- What is the relationship between personal benefits, career benefits and job-related benefits of employee training and affective commitment in the service sector of Nepal?
- What is the relationship between personal benefits, career benefits and job-related benefits of employee training and continuous commitment in the service sector of Nepal?
- What is the relationship between personal benefits, career benefits and job-related benefits of employee training and normative commitment in the service sector of Nepal?
- What is the relationship between organizational commitment represented by affective, continuance and normative commitment and demographic factors represented by age, position and tenure?
- What is the relationship between organizational commitment and performance of the organization represented by profitability, net worth and market growth?

Objectives of the Study

The motivation of this study is to draw the attention towards expected training benefits and commitment in the Nepalese banking and non-banking service sector. This study aims to provide new insights and opportunities to the Nepalese organizations regarding expected training benefits and organizational commitment.

Theoretical Framework

The study uses two well-grounded theories to measure the relationship between employees' beliefs regarding training benefits and employees' organizational commitment: Meyer and Allen's (1997) three-component model of organizational commitment, and Noe and Wilk's (1993) benefits of employee training.

Figure 1 depicts the conceptual framework used to ground the study. The conceptual framework for this study focuses on understanding the relationship between employees' beliefs regarding training benefits and employees' organizational commitment in service sector of Nepal. It identifies the relationship between the constructs (proposition) and the relationship between the research variables (questions or hypotheses) based on a review of relevant literature related to employee training and organizational commitment. More specifically, the study is built around three constructs: employee training, organizational commitment and performance. The variables in this study are divided into three categories: organizational commitment variables, employee training-related variables and performance related variables. Organizational commitment variables include: affective commitment, continuance commitment and normative commitment (Meyer & Allen, 1997). Employee training variables include personal benefits, career benefits and job-related benefits of training (Noe & Wilk, 1993) and performance related variables include market growth, service quality, profitability and networth. These variables are considered important for inclusion in the study based on an examination and review of the literature related to employee training, organizational commitment and performance (Bartlett, 2001).

Noe (2002) defines training as planned activities on the part of the organization targeted towards increasing the job knowledge and skills or to modify the attitudes and behaviors of employees in ways consistent with the goals of the organization and the requirements of the job. For the purposes of this study, employee training includes formal training, informal training, on-the-job training, professional development and other developmental learning activities that prepare the employee for his present job as well as possible future jobs. Employee training has been identified as a key of human resource management practices that facilitates and contributes to gaining competitive advantage (Schuler & MacMillan, 1984). Noe (1999) suggests that 'training refers to a planned effort by a company to facilitate employees' learning of job-related competencies. These competencies include knowledge, skills or behaviors that are critical for successful job performance. The goal of training is for employees to master the knowledge, skill and behaviors emphasized in training programs and to apply them to their day-to-day activities' (p. 4). According to Noe *et al.* (1987), training 'is a necessary component of U.S. companies' efforts to improve quality, meet the challenges of global competition, use new technologies in producing products and services, and capitalize on the strength of a diverse workforce' (p. 153). Gritz (1993) documents the increasing number of studies devoted to training and its role on labor markets. Martel (2003) reports that the best companies are companies that make investments in people through training, compensation, benefits and facilities

Phillips (1997) adds that increased organizational commitment is one of the benefits of employee training. Phillips and Stone (2002) note that 'Most successful training programs result in some intangible benefits. Intangible benefits are those positive results that either cannot be converted to monetary values'. Phillips and Phillips (2000), along with Phillips and Stone (2002), identify increased organizational commitment as one of the intangible results of employee training.

Noe and Wilk (1993) grouped employee training benefits into three categories: personal benefits, career benefits and job-related benefits. Personal benefits represent the extent to which employees believe that participation in training activities help them network, improve their job performance and make progress towards their personal development. Career benefits result from participation in training activities that lead to identifying career objectives, reaching career objectives and creating opportunity to pursue new career paths. Job-related benefits lead to better relationships between peers and managers, and provide a necessary break from the job (Noe & Wilk, 1993).

Noe and Wilk (1993) developed a 14-item scale that measures the benefits of employee training based on an earlier study of Nordhaug (1989). Five items assess personal benefits of employee training (i.e. participating in training programs will help my personal development; participating in training programs will help me network with other employees; participating in training programs will help me perform my job better; participating in training programs will help me stay up to date on new processes and products or procedures related to my job; and participating in training programs will lead to more respect from my peers), six items assess career benefits of employee training (i.e. participating in training programs will increase my chances of getting a promotion; participating in training programs will help me reach my career objective; participating in training programs will give me a better idea of the career path

I want to pursue; participating in training programs will result in more opportunities to pursue different career paths; participating in training programs will result in having to do extra work without being rewarded for it; and participating in training programs will help me obtain a salary increase), and three items assess job-related benefits of employee training (i.e. participating in training programs will help me get along better with my peers; participating in training programs will help me get along better with my manager; and participating in training programs will give me a needed break from my job). Responses were made using 7-point Likert-type scale, ranging from 1 (strongly disagree) to 7 (strongly agree). Below are the scales derived from Noe and Wilk's (1993) benefits of employee training.

Organizational commitment has been defined as both an attitudinal and a behavioral construct. The attitudinal approach to organizational commitment is based on the employee's development of an emotional or psychological attachment to the organization (Meyer & Allen, 1997). In contrast, the behavioral approach to organizational commitment is based on cost-benefits decisions of leaving or remaining with the organization (Becker, 1960).

Meyer and Allen (1997) note that no one definition of organizational commitment is more 'correct' or universally accepted than the others. That the definitions are different, therefore, can only confuse the issue if we speak of commitment without indicating which definition we are using. Organizational commitment can be thought of as the level of attachment felt towards the organization where one is employed (Meyer & Allen, 1997). According to Meyer and Allen (1997), a committed employee is an employee that remains with the organization during good and bad times, attends work regularly, protects company assets and shares organizational goals. Organizational commitment has been a popular field of study among organizational and behavior researchers since the 1960s with Becker's (1960) work. Becker concludes that 'commitments come into being when a person, by making a side-bet, links extraneous interests with a consistent line of activity' and, further, that individual bonds to the organization are based on 'instrumental interests' such as salary and benefits. From that point, interest in the phenomenon expanded. For example, Marsh and Mannari (1977) report that 'there has been a continuing interest in the commitment of employees to their organization'. This is because organizational commitment is recognized as one of the major determinants of organizational effectiveness (Steers, 1975). Ferris and Aranya (1983) add that 'organizational commitment is becoming an increasingly used construct to predict performance, absenteeism and turnover'. Liou and Nyhan (1994) point out that management is recognizing the link between increased organizational commitment and higher levels of job performance, lower levels of absenteeism and lower levels of employee turnover. Mitchell *et al.* (2001) suggest that 'organizations of all sizes and types are recognizing that they are engaged in a struggle to retain talent, and are actively trying to do something about it'.

Mowday *et al.* (1982) identify some of reasons for the increased popularity of studies related to organizational commitment. For example, organizational commitment predicts important behaviors such as employee turnover and increased management interest in improving employee commitment and achieving employee loyalty to the organization. Hom and Griffeth (1995) identify the following determinants of organizational commitment: procedural justice which is 'fair procedures for allocating rewards in the organization'; expected utility of internal roles, or 'prospects for attaining desirable work roles inside the company'; employment security, which deals with employment reliability; and job investment, including pension benefits and on-job training. Meyer and Allen (1997) suggest that it is not financial rewards that develop organizational commitment; rather, employee commitment to the organization is based on the opportunity the organization offers its employees to conduct important and challenging work, the interaction with interesting people, and the environment that facilitates developing and building new skills. Such varied views lead naturally to the question of the essential nature of organizational commitment.

This study adapts its organizational commitment variable from Meyer and Allen's (1997) three-component model of organizational commitment; i.e. affective, continuance and normative commitment. 'Affective commitment also develops on the basis of work experiences that employees find rewarding or fulfilling'. Affective commitment is based on emotional attachment to the organization. Employees choose to remain with the organization because they want to stay. Continuance commitment is somewhat more pragmatic, referring to 'employee's awareness that costs are associated with leaving the organization. Continuance commitment can develop as a result of any action or event that increases the costs of leaving the organization, provided the employee recognizes that these costs have been incurred'. Continuance commitment is based on perceived cost associated with leaving the organization. Employees remain with the organization because they think that in some way they 'have to' stay. 'Normative commitment refers to an employee's feelings of obligation to remain with the organization. Thus, employees with strong normative commitment will remain with an organization by virtue of their belief that it is the "right and moral" thing to do'. Normative commitment is based on the belief that it is an employee's obligation to be committed to the organization. Employees remain with the organization because they believe they should stay in the organization.

According to Meyer and Allen (1997), 'It is more appropriate to consider affective, continuance and normative commitment to be components, rather than types, of commitment because an employee's relationship with an organization might reflect varying degrees of all three forms of commitment. Consequently, researchers stand to gain a clearer understanding of an employee's relationship with an organization by considering the strength of all three forms of commitment together than by trying to classify it as being of a particular type'. Accordingly, it is important to understand the distinction between types and components of organizational commitment. Types of organizational commitment are discrete and separate, whereas components of organizational commitment represent subscales that measure the construct

Organizational commitment is expected to create useful emotional bonds between an organization and its employees. If employees believe that their organization cares about them and their happiness, treats them with consideration, and distributes its rewards accordingly, those employees are far more likely to develop positive affective attachments to their employer (Eisenberger *et al.*, 1987, 1990; Levinson 1965; Smith, Organ and Near, 1983; Orpen 1995). This holds true at all levels of the organizational hierarchy. Strong affective bonds can induce greater efforts from employees—efforts to work harder, to cooperate more willingly, to work smarter, and to do a better job (Eisenberger *et al.*, 1990; Fiol, 1991; Itami, 1987; Lado and Wilson, 1994). This can lead to greater productivity, more creativity, higher-quality work, and better team decisions (Collins and Porras, 1994; Peters, 1994). In fact, employees' affective attachments to their organizations have been shown to reduce costly absenteeism, to cut turnover, and to improve job performance (see the reviews by Mowday *et al.*, 1984; Steers and Porter, 1987). OC can also create a climate of trust that allows firms to dispense with costly and demotivating bureaucratic controls (Barney and Hansen, 1994; Whitney, 1994). All of these outcomes may contribute to better financial performance.

The results of Ahmad and Bakar (2003), research conducted in Malaysian white collar workers indicated that availability of training has a strong relationship with affective and normative commitment, but no association with continuance commitment. With the presence of training, employees are more likely to feel loyal and morally obliged to remain with their company. According to the results, employees in Malaysia do not feel that the cost of leaving the organization has any association with the availability of training within their organization. Hence, although they could have access to training, employees would not take this factor under consideration when choosing to leave their company. In other words, they do not consider the availability of training as a high cost or benefit that they have to forgo when leaving their organization.

Meyer *et al.* (1989) saw the link between commitment and organizational performance. They found that overall performance of organization in the high affective – low continuance commitment group were significantly greater. Employees who believe that positive outcomes result from participation in training and development events have been found to be more motivated to seek opportunities for training (Dubin 1990; Tharenou 2001). However, in theory, according to Harrison (2000), learning (triggered by training) is a variable that may have a positive effect on organizational performance and is considered to be a key element to the attainment of organizational goals. Nevertheless, adopting a training activity as a solution to lagging performance presupposes that this performance problem, i.e. this gap between the desired and the actual performance, is due to lack of training. This is stated by Swart *et al.* (2005).

The role of employee perceived training effectiveness (PTE) becomes clearer and its relationship to employee motivation, commitment and job satisfaction, is rather lucid, looking at the results of this study. PTE correlates with job satisfaction, lending support to the findings of Tsai *et al.* (2007). High quality training according to Tsai (2006) will lead to higher job satisfaction, which in turn will have a beneficial effect on organizational performance. Bartel (1994) and Harrison (2000) have also found that training directly or indirectly has a positive effect on productivity. Sirota *et al.* (2005), propose that motivation relates directly to the need for achievement, which is fulfilled through career growth, resulting from training and learning. Their findings are in agreement with Pool & Pool (2007), who reported a significant correlation between motivation commitment and job satisfaction with the learning oriented organization. Several studies indicated that there is a direct or indirect link between training and employee commitment. Sirota and Nollen (1989) found that training opportunities increased employee commitment in an industrial setting. Meyer and Smith (2000), also reported a positive relationship between HR practices (including training) and commitment. On the other hand, Kim (2006) and Ahmad and Bakar (2003) reported mixed results, in terms of the effect of training on performance. The results of the study of Al-Emadi and Marquardt (2007) in Qatar Petroleum revealed a positive and significant relationship between expected benefits (i.e. personal benefits and career benefits) of employee training and the three components of organizational commitment (i.e. affective commitment, continuance commitment and normative commitment). Some of the major studies on employees' commitment and organizational performance are summarised below:

Table 2.7 Relationship between employees commitment and organizational performance

Year	Researcher	Findings
1987	Steers & Porter	Employees' affective attachment to their organizations has been shown to reduce costly and demotivating beaurocratic control. All of these outcomes contribute to better financial performance.
1989	Meyer et al. Nordhaug	Saw the link between commitment and organizational performance. They found that performance of the organization in the high affective-low continuance commitment group were significantly greater. Identified three different types of reward functions or benefits that employee obtain from participation in training: job, career and personal benefits. Job related benefits reflect individual's perception that training will allow a performance improvement in their current position.
1994	Liou & Nyhan Bartel Whitney	Recognized the link between increased organizational commitment and higher levels of job performance, lower levels of absenteeism and turnover. In a survey conducted in the manufacturing sector found that there is a positive relationship between implementing formal employee training program, both at individual and organizational level and commitment. - OC can also create a climate of trust that allows firms to dispense with costly and demotivating beaurocratic control. All of these outcomes contribute to better financial performance.
1998	Jeffrey P feffer	His two studies demonstrating the link between commitment and organizational performance.
2000	Harrison	Learning (triggered by training) is a variable that may have a positive effect on organizational performance and is considered to be a key element to the attainment of organizational goals.
2006	Tsai Kim	High quality training will lead to higher job satisfaction, which in turn will have a beneficial effect on organizational performance. Reported mixed results of the study. Study showed that given the effectiveness of training, a significant relationship with commitment is expected as well commitment increases the organizational performance.

Very few empirical researches are conducted relating to commitment and performance. Lee and Miller (1999) conducted research in Korea. They had taken as sample to the employees of Korean manufacturing and service industries. They found the positive and significant relationship between commitment and financial performance of the organizations. (Alpha value = 0.63, p, 0.01)

So far as organizational commitment and demographic variable is concerned Hrebiniak and Alutto's (1972) study concluded that the number of year's experience (Tenure) was the most important variable that impacted on organization commitment, especially continuance commitment. Age and seniority tend to co-vary with one's position in the organization and are known to positively correlate with commitment (Allen and Meyer, 1990; Lok and Crawford, 2001; Williams and Hazer, 1986; Mowday *et al.*, 1982; Angle and Perry, 1981; Mathieu and Zajac, 1990; Steers, 1977). Mathieu and Zajac (1990) further suggested that older workers are more satisfied with their job, receiving better positions and having 'cognitively justified' their remaining in the organization.

The proposition that younger and older workers may view work and self in fundamentally different ways is not new. Life-career-stage models (Levinson *et al.*, 1978) suggested that the early years are years of establishment (e.g., establishing a niche and 'making it' so that progress can be monitored by self and others), later years are associated with a stronger sense of self, work, and life. Nevertheless, Irving *et al.* (1997) found that age did not significantly correlate with either normative or affective facets of commitment. They concluded that age could be a significant correlate of commitment in a homogeneous sample rather than in a heterogeneous sample. In addition, findings by other scholars (Tan and Akhtar, 1998) also support the fact that age and tenure did not correlate significantly with normative and affective commitment. Becker *et al.* (1979) found income to be an important predictor of organizational commitment. In addition, organizational position is known to correlate negatively with normative and affective commitment (Tan and Akhtar, 1998). Ahmad and Bakar(2003) found that age and tenure were not significant predictors of overall organizational commitment.

The results of the study of Al-Emadi and Marquardt (2007) in Qatar Petroleum's revealed that personal benefits of employee training and age are significantly related to affective and normative commitment and career benefits of employee training and years of service are significantly related to continuance commitment.

Some of the major studies and their findings taking as intervening variables to the age, seniority and position are summarized below:

Table 2.8 Relationship between demographic variables and commitment

Year	Researcher	Findings
1972	Alutto	Tenure is the most important factor that impacted on organizational commitment.
1991	Hackett et al	Reports a positive relationship between affective and continuance commitment to age and tenure
1992	Pinks	Report that employee age is one of the influences on organizational commitment
1996	Sommer et al	Study on antecedents of organizational commitment reports a positive relationship between commitment and antecedents relating to age, tenure and position.
1997	Irving et al.	Found that age did not significantly correlate with either normative or affective facets of commitments. They concluded that age could be a significant correlate of commitment in a homogeneous sample rather than in a heterogeneous same like theirs.
1998	Tan And Akhtar	Organizational position is known to correlate negatively with normative and affective commitment.
2003	Ahmad and Bakar	Age and tenure were not significant predictors of overall organizational commitment .
2007	Al-Emadi and Marquardt	Revealed that personal benefits of employee training and age are significantly related to affective and normative commitment, and career benefits of employee training and years of service are

	significantly related to continuance commitment.
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Training and commitment is new phenomena to the researchers and Academician of Nepal. There are volumes of literature about it in developed countries. Views on different aspects of this subject have been expressed by people from diverse fields. But studies of association between training and commitment is not found in Nepal but some studies are conducted in the field of HRM, training and commitment separately.

Adhikari's study (1992) on "Human Resource Management for Public Enterprises: A model for Designing Job in Nepalese Factories" concluded that the prevalent character of today's technology and the current level of education limit the extent of the requirements needed by workers on the shop floor. He found that in some factories the main reasons for a difference in attitude between supervisors and non supervisors were due to a variation in demographic factors such as age, years of experience and numbers of dependents. The more similar the demographic factors, the more similar were the attitude regardless of whether the workers were supervisors or non-supervisors. On some of the shop floors, workers were enjoying challenging and meaningful work. In factories where there were few demands from the workers, simple and specialized jobs were preferred by these workers were not motivated. Workers behaved differently when they did something slightly difficult and were offered a variety of work. A difference in attitude was noticed when the responses of supervisors and non-supervisors differed on the job difficulty and variety, workers' requirements, job discretion, age, number of years of experience, number of dependents. He concluded that while designing jobs on the shop floor the management should take into account the basic needs of the workers and make provision for the future. The plant itself is a very good training centre for workers.

Adhikari (2003) suggests that there have been no significant changes at firm level HR policies and practices even after the changes in the economic and political priorities in the last decade. Nepal is still at the initial stage of development of human resource management. Personnel management system is still preoccupied with operational issues rather than managerial one. HR planning and practices are not in the priorities of Nepalese managers. Nepalese decision makers are still in position to hold power rather than delegate.

Shrestha (1991) analyzed the practices of personnel management in private industrial enterprises in Nepal. He found that personnel management in Nepal had not yet acquired professional competence. The average size of the department performing personnel functions was 3.4. The personnel functions carried out in the personnel department included procurement and development of employees, wages and salary, employees' benefits and services, industrial relations and chiefly maintenance of employee personnel records. The methods of manpower planning were not systematic jobs were created mainly at the time of installing new machinery and at the time of increased volume of production. Recruitment methods included personal contact, newspaper advertisement, employees referrals and notice board announcements. Both formal and informal unstructured types of interviews were used in the selection process. The placement was made after consideration of a candidate's suitability for a particular job. There was no training policy and training school. Budget allocation for training was made on a casual basis. There was no systematic promotion policy and criteria. Promotion was given when it was necessary or when it was felt appropriate. For promotion purposes, candidates were considered on the basis of seniority, level of job performance, technical and administrative capability and academic qualifications. The system of performance appraisal varied from enterprise to enterprise and from one employee group to another. A rudimentary and informal performance appraisal was used for promotion and additional financial benefits. Transfers were heavily based on the chief executive's decisions. The board of directors/ partners and the proprietor were the final authority to fix the wages and salary on the basis of minimum wages prescribed by the government. The wages were higher than prescribed minimum wages but lower than that of the public sector.

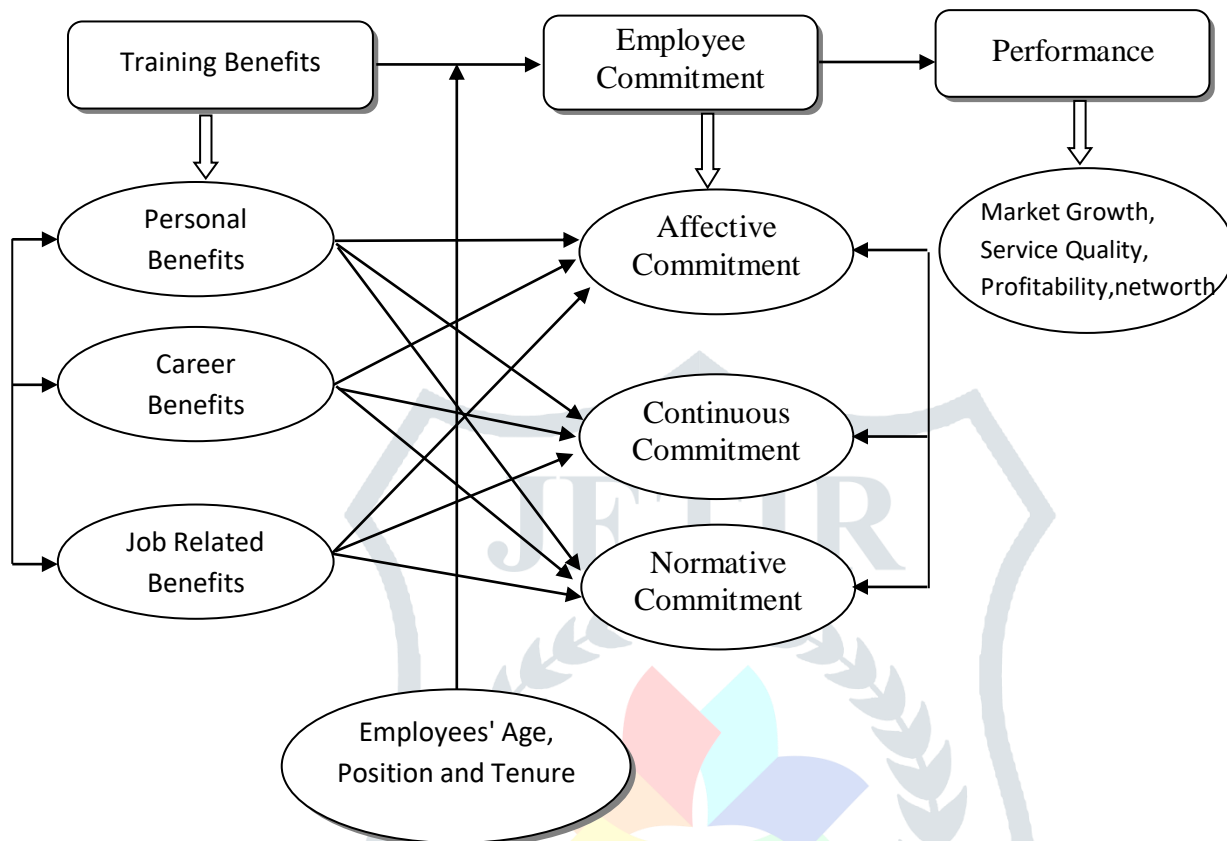
Pant (1993) found that Nepalese manpower had not been able to take full advantages of the new jobs created by development activities because they had not had sufficient opportunities to learn the requisite skill. Country was not investing in human capital and organization takes training as a cost. No HR policies and no opportunities to improve their educational and skill level.

Gautam (2003) found high affective commitment, moderate in normative commitment and low continuous commitment in the sample of Nepalese service sector. The nature of organizational commitment observed in Nepalese sample seems very favourable in management perspective.

From the study of previous literature following theoretical framework is developed showing relationship among expected training benefits, organizational commitment and organizational performance:

Figure 1

Relationship between expected training benefits, organizational commitment and performance



A literature review of training and organizational commitment suggests that there is a relationship between employee training and organizational commitment. However, the exact nature of the relationship is unclear. It is important to investigate the relationship between employees' beliefs regarding training benefits and employees' organizational commitment for both theoretical and practical reasons. The study will contribute to theory by adding to what is known about organizational commitment and employee training at the individual level of analysis, and by expanding the body of knowledge with respect to the relationship between employees' beliefs regarding training benefits and employees' organizational commitment. The study contributes to practice by providing practitioners with insights about the relationship between organizational commitment and employee training. The findings of this study hope to;

- contribute to the organizational commitment and employee training literature at the individual level; and
- provide management with useful information about the relationship between employees' beliefs regarding training benefits and employees' organizational commitment. More specifically, identify the relationship between personal/career/job-related benefits of training and affective/continuance/normative commitment. Understanding this relationship should assist organizations reduce costs associated with recruiting, hiring and training.

Thus, it is expected that this theoretical framework gives insights regarding training benefits, level of commitment and impact of commitment on performance in this new area of research in Nepal.

Hypotheses

This study will examine the training practices of Nepalese service sector. It will see the linkage between training benefits and different types of commitment. It will also examine the linkage between commitment and performance. Therefore, the following hypotheses are formulated:

- **Affective Commitment**

- Employees expecting personal benefits from training have high level of affective organizational commitment.
- Employees expecting career benefits from training have high level of affective organizational commitment.
- Employees expecting job-related benefits from training have high level of affective organizational commitment.

Continuous Commitment

- Employees expecting personal benefits from training have high level of continuous organizational commitment.
- Employees expecting career benefits from training have high level of continuous organizational commitment.
- Employees expecting job-related benefits from training have high level of continuous organizational commitment.

Normative Commitment

- Employees expecting personal benefits from training have high level of normative organizational commitment.
- Employees expecting career benefits from training have high level of normative organizational commitment.
- Employees expecting job-related benefits from training have high level of normative organizational commitment.

Performance

- There is positive relationship between high level of commitment and organizational performance.

Demographic Factors

- Age of employees affects to the level of commitment
- Position of employees affects to the level of Commitment
- Tenure of employees affects to the level of commitment

Methodology

This study follows the quantitative study utilizing survey methodology with non-experimental co-relational descriptive and analytical research design. This research has incorporated the case study of Nepal Bank Ltd. and Nepal Electricity Authority to measure the study variable 'performance'.

Both Primary and secondary data are used in this study. Primary data are used rigorously in this study. The primary data is used to assess the link between expected training benefits and organizational commitment represented by affective, normative and continuance commitment in the Nepalese service sector organization. Relationship between organizational commitment and organizational performance is examined using secondary data. The primary data were collected by distributing questionnaire personally visiting the sample organizations. Two banking and two non-banking service organizations were selected judgmentally. A fully structured questionnaire was developed for the officer level employees. It included five points Likert Scale questionnaire. These variables and questions are based on the three components of organizational commitment questionnaire of Meyer and Allen (1997) and Noe and Wilk's(1993) benefits of employee training questionnaire. A five points Likert Scale (with 5= Fully agree to 1= Fully

disagree) has been used for each of the statement. It has been considered that 3.5- 4.5 = agreed and good, 2.5- 3.5 = moderate and < 2.5 = disagree and poor respectively.

In this study all the commercial banks and other service organizations are considered as population. Selected banks and service organizations are the samples. Officer level employees are defined as the sample population. They were selected judgmentally.

Judgmental sampling was made. Four organizations were selected purposively. There are two banking and two non-banking service sector organizations. Two selected banking organizations were Nepal Bank Limited and Rastriya Banijya bank. Two selected service sector organizations were Nepal Telecom and Nepal Electricity Authority. Altogether 150 officer level employees were defined as sample and divided into approximately equal number in all banking and service sector organizations respectively.

This current study more or less followed the methodology used by Al-Emadi and Marquard (2007) and Bartel (2004). To describe the responses mean value of each variable that is computed and tested with the standard deviation for variance test and the Cronbach's alpha for testing reliability. The results of Cronbach's alpha scores were compared to the published estimates (Nunnally's 0.5) for pre-existing scales for instruments used in the study. Correlation is used to measure the relationship between the domains of training and organizational commitment in the service sector of Nepal as hypothesized in this study. This technique is used to ascertain the extent to which two variables are related. Regression analysis was conducted to examine the relationship between study variables as highlighted in the research questions, and to test the research hypotheses. This study employs multiple regression analysis to investigate the relationship between variables and to identify the strength of that relationship. More specifically, multiple regression analysis was employed to identify the relationship between employees' beliefs regarding training benefits as measured by personal, career and job-related benefits (independent variables) and employees' organizational commitment as measured by affective, continuance and normative commitment (dependent variables).

Findings and Conclusion

The research study resulted in three major findings. These findings are presented in the subsequent section.

Table.1

Table showing level of training benefits and employees commitment

Components	Mean	Alpha Value
Personal Benefits	3.78	.865
Career Benefits	3.39	.786
Job-related Benefits	3.69	.837
Affective Commitment	3.08	.491
Continuous Commitment	3.14	.736
Normative Commitment	3.23	.744

Personal benefits, Job-related benefits under agreed and good band and Career benefits falls under moderate band. Therefore it can be concluded that respondent officers of sample organizations show their interest in the availability of benefits from training. Mean value of all types of commitment fall under moderate band so they found the level of commitment in their organization moderately. Alpha value is greater than Nunally's scale (0.5) except in case of affective commitment but considering the international literatures it is also considered for analysis and assumed that the responses are reliable.

Table 2**Relationship between Training Benefits and Different Components of Organizational Commitment**

Components	Coefficient	P-value	R2
PB & AC	.258	.001	.110
CB & AC	.295	.001	.113
JB & AC	.335	.000	.175
PB & CC	.233	.007	.080
CB & CC	.414	.000	.198
JB & CC	.206	.022	.059
PB & NC	.372	.000	.202
CB & NC	.446	.000	.228
JB & NC	.339	.000	.158

The Results of the regression analysis , as presented in table 2, showed that there is a significant positive relationship between affective organizational commitment and personal benefit ($p = .001$), career benefits($p = .001$) and job related benefits ($p = .000$).

The results of the regression illustrated that there is a relationship between continuous organizational commitment and three benefits of employee training : personal benefit of employee training ($p = .007$), career benefits ($.000$) and job-related benefits of employee training ($p = .022$).

The results of the regression analysis illustrated that there is a significant and positive relationship between normative commitment and three benefits of employee training: personal benefit of employee training ($p = .000$), career benefits ($p.000$) and job-related benefits of employee training ($p = .000$).

Table 3**Relationship between Demographic Variables and overall commitment**

Components	Coefficient	P-value
Age & Commitment	.103	.108
Position & Commitment	.013	.887
Tenure & Commitment	.091	.050

The results of the regression analysis, as presented in Table 3, illustrated that there is significant positive relationship between commitment and tenure ($p = .05$) but age and position has positive relationship with commitment but not significant ($p = .108$ and $.887$ respectively).

Findings and conclusions of the Study

The present study has explored the relationship between expected training benefits and employees' organizational commitment as well as impact of employees' commitment on organizational performance. Specifically, all the three types of commitment were examined in association with expected training benefits. Relationship of different demographic variables was also observed. The major findings of the study suggested that individual perception over the benefits of training plays an important role in affecting organizational commitment. This finding is also supported by the expectancy theory of Victor Vroom (1964). As expectancy theory states that motivation is the product of three variables, namely, valence (an individual's performance for an outcome), expectancy (his / her belief that effort will lead to task completion) and instrumentality (his /her conviction that performance will result in the desired outcome). Average level of training benefits were found among the employees of Nepalese service sector in aggregate but while observing individually employees expect more personal benefits and low career benefits. It indicates that Nepalese service sector should provide training to the employees to increase their skill and competence and assure about the benefits which they get after training then only they can motivate to the employees to take part in training.

Employees show average level of commitment in bundle but they show high normative commitment and low affective commitment while observing individually to the component of commitment. This findings contradict with the findings of Gautam (2003) and Caruana and calleya(1998) as they found high affective commitment, moderate normative commitment and low continuous commitment. Findings of the study are not consistent due to the difference in the age, tenure, position, and diffence in sample organizations.

The result shows that benefits of training were important predictor of over all commitment. The result of the study revealed that personal benefits, career benefits and job- related benefits of employee training are significantly related with all three components of employees organizational commitment; affective commitment, continuous commitment and normative commitment. It suggests that employees who reflect positively on training benefits are likely to be more committed to the organization. These results are consistent with the literature that examined the relationship between employee training and organizational commitment (Meyer and Smith, 2000, Bartlett, 2001, Payne and Huffman, 2005 and Al-Emadi and Marquardt (2007). For example; Meyer and Smith (2000) report the existence of a link between organizational commitment and training from the point of view that employee training has a positive effect on employees' commitment to their organizations. Bartlett (2001) maintains that the perceived benefits of employee training are found to affect employee's organizational commitment. Payne and Huffman's (2005) study concluded that mentoring is positively related to affective and continuance organizational commitment and negatively related to employee turnover. Al-Emadi et al.'s (2007) study on Qatar petroleum found that training benefits enhance positively to all the components of employees' organizational commitment.

Career benefits of employee training is the best predictor of continuous and normative organizational commitment as they explain higher percentage of variation. Even they are positive and significant in all commitment variables. First result is consistent with the findings of Al-Emadi and Marquardt (2007) and Meyer and Allen (1997). Meyer and Allen (1997) suggest that employees with strong continuous commitment will stay longer with the organization because leaving the organization will be more costly to them. Career benefits of employee training result from participation in training activities that lead to identify career objectives, reaching career objectives and creating opportunity to pursue new career paths (Noe and Wilk, 1993). So, the researcher can conclude that the organization's willingness to provide its employees with additional training opportunities that may lead employees to develop a stronger sense of attachment or commitment to the organization. Second result contradicts with the results of Al-Emadi and Marquardt (2007) Researcher can conclude that the organization's willingness to provide its employees with additional training opportunities that may lead employees to develop a stronger sense of obligation to remain with their current employer and they feel that leaving employer is the injustice to the employer so, they remain committed to the organization.

Job related benefits of employee training is the best predictor of affective commitment. Job-related benefits of training helps to enhance capability to take the responsibility in job, helps to cope with the chage in the performance of job and extra motivation . So, researcher can conclude that the organization's willingness to provide its employees with additional training opportunities for increasing competencies, motivation may lead employees to develop a stronger affective commitment.

Result related to organizational performance shows high level of commitment enhances high level of organizational performance. This result is consistent with the findings of Barney and Hansen (1994) and Whitney (1994) as they found that commitment reduces absenteeism, turnover which have direct impact on performance.

While examining the relationship between Age and position and employees organizational commitment was not significant predictors of organizational commitment. The result of this research is consistent with the findings of Ahmad and Bakar (2003), Ahmad et al. conducted research in Malaysia (Asia) so, it can be concluded that such relation can be seen in Asian sample, but contradicting with the result of Al-Emadi and Marquardt (2007). While observing the results of descriptive statistics, it was found that older employees had a significantly higher commitment than younger employees. It indicates that older employees are more attached to the organization where they are working. On the other hand, younger employees are still new in the working world and believe that there is immense opportunity to them.

Tenure of employees was significant predictor of overall organizational commitment. This finding is consistent with the findings of Al-Emadi and Marquardt (2007). It was found that senior employees have a significantly higher commitment than younger employees. It indicates that older employees are more attached to the organization where they are working and feel that they will lose more cost while leaving the organization. On the other hand, less experienced employees are still new to the working world and believe that there is immense opportunity to them and leaving organization has no cost for them.

While summing up to the entire study it can be concluded that there is a positive and significant relationship between perceived training benefits (personal benefits, career benefits and job-related benefits) and the three components of organizational commitment (affective commitment, continuous commitment and normative commitment). Career benefits are the best predictor of continuous and normative commitment and job-related benefits are the best predictors of affective commitment in Nepalese service sector employees. Additionally the findings revealed that when level of commitment of the employees increases organizational performance also increases in terms of networth, market growth, quality of service and profitability although it is not tested statistically but literatures suggested that commitment leads to performance (Steers and Porter, 1987, Meyer et al., 1989, Kim, 2006) and the case study also supported the facts. Finally, the findings revealed that tenure of the employees is significantly related to commitment in Nepalese service sector but position and age does not have significant impact on commitment.

Practical Implications of the Research

The results show that the training enhances significantly on various types of employee commitment. Correlation between career benefits of training is strongest. Therefore, organization should focus on developing initiatives that matters most to career benefits such as increasing chances of promotion, helping them to attain internal goal and increase in salary. Organizations should consider designing training and development programmes with focus on employee commitment. This would facilitate and improve human capital retention. Organizations can obtain employee commitment through:

1. In order to retain the employees, organizations should avail personal and career related benefits to the employees in the Nepalese service sector. Participating in training should help to increase personal income, competence and promotion of the employees that will lead to create interest for taking part in the training and helps to increase commitment.
2. Organizations should consider in designing training and development programmes with focus on employee commitment. More specifically, ensuring that employee training and development programmes address all aspects of employees' commitment to the organization including affective, continuance and normative commitment. This facilitates the human capital retention.
3. Organizations should identify and satisfy the different training needs of its workforce. More specifically, fresh graduates have different training needs than more experienced employees. Strategies should be developed to ensure that all employees continuously learn and grow throughout their career.

Limitations of the study

The results of this study should be interpreted with recognition of the study's limitations. This study is limited by the following constraints:

1. Most of the prominent HR functions are not covered only the training function is considered for the purpose of the study.
2. There is five factors model of commitment also but this study has used three factors model of commitment to assess the level of commitment.
3. Performance of the organization can be evaluated through various factors. But only few performance factors are used in this study to assess the performance of the sample organizations.
4. The complexity and ambiguity related to organizational commitment and employee training constructs may have reduced the validity and reliability of the measurements. The three-component model of organizational commitment and benefits of employee training selected are not comprehensive measures of organizational commitment or benefits of employee training.
5. The participants' understanding of English as a second language could have affected participants' responses
6. This study is conducted in govt. owned organizations and only few organizations were selected as sample so the findings of the study can not be generalized.

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