

Establishing Psychological Ownership by Employee Training

By

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ABSTRACT

The objective of effective training and development is not only to develop and upgrade the knowledge, skills and abilities of an employee for an efficient performance, but it also has a subsequent impact on employee's morale, their psychological ownership towards the organization, their intention to stay in the organization and so on.

This paper intends to find out the effectiveness of training and development psychological ownership, increased employee morale as well as employee retention.

keywords: training and development, employee training, retention, employee attrition, psychological ownership

INTRODUCTION

Effective training and development programs in an organization contribute in the form of enhancement of employee skills which in result enable them to respond to the rapid changes taking place in the external environment of the organization (Gareth, 2000). Employee training also gives advantages such as improved efficiency, productivity, better communication, improved competitiveness, increased customer preference, awareness about quality and process and reduced cost (Dolack, 1996).

To understand and establish the linkage of employee training and employee psychological ownership the survey is conducted specifically among newly recruited employees i.e Graduate Trainees, where the opinions effectiveness of training and development programs has been analyzed in terms of employee retention, development of psychological ownership, increased employee morale etc. in one of the leading PSUs.

About the Academy: The academy considers Human Resource as the most critical resource which manages all other resources. The academy's main focus is enhancement of knowledge, skills and attitudes.

It is an ISO 9001-2008 certified institute having a presence in the global map catering to the managerial, technical and soft skills with the help of effective training, properly designed training

courses, highly experienced and globally known faculties from in house institutes and external faculties as well.

The pedagogy for training involves lectures, case studies, seminars, group discussions, e-learning, business games, role plays, simulation exercises, structured and unstructured group work and field visits.

Training Spectrum of Academy:

- Graduate Training
- Functional Programs
- Management Development Programs
- Leadership Development Programs – Domestic Learning Component and Overseas Learning Component

RESEARCH OBJECTIVE

The objective of the research paper is to analyze the linkage of employee training in respect to the perceived employee psychological ownership and also to check the perceived improvement in employee commitment as well as knowledge, skill and ability.

RESEARCH METHODOLOGY

A descriptive research has been conducted so as to fulfill the objectives, where a survey was conducted among 50 Graduate Trainees with the help of structured questionnaire. The analysis was carried out on the collected data with the help of SPSS.

LITERATURE REVIEW

Here three important theories were referred so as to enumerate the variables to be used for the preparation of the questionnaire:

- Human Capital Theory:** As per the theory training and development contributes towards the development and up-gradation of human capital which includes skills, knowledge, experience, ability etc and this is a very essential resource for any organization in this highly competitive environment.

Today the employees who are willing to upgrade their knowledge and skill-set and have a desire to learn new technologies are the ones who are taking initiatives for challenging tasks and projects. If the organization is providing relevant training programs to such employees, there is a higher probability of increased retention of the skilled employees. Thus, it is very critical for the organization to retain such employees as it not only helps them to retain the employees but it also helps them to retain their knowledge, skills, abilities, efforts etc.

- Psychological Contract Theory:** this theory is based on **social exchange theory**, according to which one party or an entity benefits from the other party or entity thereby creating a social obligation for the benefitted party to return back the benefit.
- Organizational Commitment:** This term refers to the commitment of the employee on an emotional perspective towards their organization which ultimately results in a higher retention rate. An employee being a part of an organization has certain expectations from the employers. When the organization provides regular training and development programs,

the employees start to believe that the organization is valuing their skills and are concerned for their personal skills enhancement as well. This tends to create a certain level loyalty and a sense of obligation among the employees which eventually improves the retention rate.

- **Violation of Psychological Contract:** Violation of the contract can also take place when one of the parties fails to meet their part of the obligation. For instance, if the organization fails to provide regular training and development programs to the employees their trust, morale, compassion might get reduced which would also impact the retention rate. Such violation can take place from either of the parties.

c. Psychological Ownership theory:

The theory suggests that people develop cognitive and affective feelings towards the things they possess or buy and roles they play at workplace (Pierce 1996). It is essential feeling in terms of job duties as this results into enthusiasm and positive attitudes. The organization can also expect lesser accidents, productivity, reduced turnover (Pierce & Rogers 2004). The bond grows to fulfill the needs of both the parties i.e. employee and organization resulting into long term relationships (Rao and Perry, 2002)

DATA ANALYSIS

EFFECT OF EMPLOYEE TRAINING AND DEVELOPMENT ON EMPLOYEE PSYCHOLOGICAL OWNERSHIP, EMPLOYEE COMMITMENT AND KNOWLEDGE, SKILL AND ABILITIES

For the study purpose two theoretical models- Human Capital Theoretical Framework and Psychological Contract Theory were considered so as to identify the key variables to be studied for conducting the research.

Following were the major key variables identified:

- Psychological Ownership
- Employee Commitment
- Knowledge, skills and abilities
- Psychological contract violation

A questionnaire survey was conducted among 50 graduate trainees; following were the findings from the collected data:

In the today's era, human capital is one of the most significant factors of any organization's success; the main reason for this is that comprises of knowledge and skills.

- Upon seeking their perception about the enhancement of knowledge, skill and abilities by the employee training program 74% of the employees had perceived that training imparted to them was successful in enhancing their personal knowledge, skills and abilities (KSA), whereas, 20% of the employees believed that the training program failed to enhance their individual KSA, however 6% of the employees had a neutral point of view. This signifies that effective training and development programs enable the employees to enhance their KSA, which in turn increases their morale and creates a psychological ownership in the minds of the employees which in turn allows the organization to retain the right talent with them.
- 78% of the surveyed employees perceived that employee training has helped them to the development of psychological ownership (in terms of development of belongingness, feeling of relationship towards work and people surrounded) as they felt that the employee training

provided enough orientation about the work and people in the organization. 18% of them are ambiguous about their perception. 4% of the trainees did not perceive the feeling of psychological ownership.

- Upon asking their satisfaction about the employee training and its result in their development of commitment 76% felt as the organization is takes care of the employees' individual survival, security and also growth needs they are hopeful about their positive commitment towards the organization. this also entails in
- the main factors identified which could result in failure of employee training are lack of reinforcement, information overload, lack of understanding learning style, and having a negative impact on the retention rate of the organization, inaccurate balance between the class room training and the on-field training (according to 28% trainees), irrelevant content of training (according to 22% of trainees). This entails the psychological contract violation. thus, organization has to be careful while analyzing the needs for training and must incorporate proper balance of information, understanding learners styles and proper balance of class-room to on-field training while designing the training programme.
- There is a high degree positive correlation between KSA, employee commitment and psychological ownership.

CORRELATION ANALYSIS

A correlation analysis has been performed by Karl Pearson method using SPSS tool. The table signifies the correlation between variables including- KSA, Psychological Ownership and Employee Commitment.

From the given table it can be stated that, all the three variables have a high degree positive relation with each other where i,e Employee commitment (0.656) and Psychological Ownership (0.754), KSA (.685). This means that when one of the variable increases the other would also have the similar impact and vice versa.

Correlations				
		Training has enhanced KSA	Training has developed employee commitment	Training has developed Psychological Ownership
Training has enhanced KSA	Pearson Correlation	1	.656**	.754**
	Sig. (2-tailed)		.000	.000
	N	50	50	50
Training has developed employee commitment	Pearson Correlation	.656**	1	.685**
	Sig. (2-tailed)	.000		.000
	N	50	50	50
Training has developed Psychological Ownership	Pearson Correlation	.754**	.685**	1
	Sig. (2-tailed)	.000	.000	
	N	50	50	50
**. Correlation is significant at the 0.01 level (2-tailed).				

SUGGESTIONS AND RECOMMENDATIONS:

The following suggestions and recommendations would help to establish the psychological ownership of the employees with the organization that entails the employee retention, morale and productivity.

- **CORPORATE CULTURE TRAINING** -Many graduate trainees opined in the survey that they are unable to gel up well with the senior employees, which is making it difficult for them to adapt in the organization. This factor is a rising concern for the organization, as employees often look for a conducive working environment and healthy working relations with their colleagues. Training programs like CORPORATE CULTURE TRAINING can help the employees to improve upon their emotional quotient, better understanding of their roles and responsibilities, leadership and guidance training, effective delegation of work, group cohesiveness etc which would make the working environment more conducive and improve employee relations.
- **EFFECTIVE CAREER PLANNING** Fresher employees, once they join the organization, often join with a lot of aspirations and goals with high morale. It is very important for the managers to identify such employees with positive aptitudes and attitudes, who are willing to contribute significantly for the organization's performance, and provide them the right training and a conducive environment which would nurture the employees' skills and would make them a loyal customer for the organization and thereby retain the right talent in the organization.
- **REVISING THE BALANCE OF ON FIELD AND CLASSROOM TRAINING** several employees had a viewpoint that the balance between the classroom training and the on-field training was not accurate, thus their viewpoint and suggestion can be taken to make any kind of necessary revision in the training program. Such kind of participation from the employee' side at the initial stage itself would help in increased employees' psychological ownership, and improved retention rate.
- **BUDDY MENTOR** by introducing a buddy mentor initiative, every senior employee of the respective department or specialization can be given 2 or 3 new employees, which would allow the senior employees to share their personal experiences and knowledge with the new employee, this would not only help the new employees to gain key insights about the organization and the work but also will help them build a healthy relation with the senior employees resulting in a better working environment.

CONCLUSION

Training and Development programs have allowed organizations to enhance its employees' skills and knowledge, it is a profitable investment by the organization, where skilled and trained employees contribute towards organization's improved performance, however it can be a burdened cost as well if the training and development programs are not effective and are not contributing towards the desired results. Also, if the employees exit the organization immediately after the training, leading to additional expenses for new recruitment process and training programs.

Psychological contract creates a bridge between training and retention based on social exchange theory. Training develops the employee commitment creating an obligation for the employees. This allows the employees to stay longer in organization as a way to reciprocate their obligation towards their employers. Effective training and development programs make employees believe the organizational supports and values their talent and skills. Therefore, training is positively related to trust towards the management and controls employee turnover rate. On the contrary, at the time of violation of the psychological contract, the employee will be motivated to exit the organization.

Training and development programs do not solely enhance the competencies of the employee, up gradation of knowledge and skills of employees, performance enhancement, enhancement of organizational performance as a whole, but also contributes towards retention of employees. Thus, for developing and establishing psychological ownership among the employees, retaining the employees, training and development can be a useful tool.

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