

# The Impact of Perceived Training Utility on Transfer of Training: The mediating role of Motivation to Transfer

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**Abstract.** The purpose of this study was to examine the mediating role of motivation between the relationship of perceived training utility and transfer of training. Data were obtained from 215 employees working in the banking sector. SPSS and AMOS statistical software were used to test the hypothesized model. Consistent with social cognitive theory, results suggested a significant positive relationship of perceived training utility with motivation to transfer and transfer of training. The results further revealed that the relationship between perceived training utility and transfer of training had an indirect effect via Motivation to transfer. This study has made a significant theoretical contribution to the literature by exploring the mechanism through which perceived training utility affects transfer of training. This study will help HRD professionals to understand the importance of perceived training utility in transfer of training.

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## 1 Introduction

Training has been used as one of the important tools for improvement of overall performance and productivity of employees (Bhatti and Kaur, 2009). Training is designed in order to improve the job-related competencies of employees. Due to rapid changes in technology and globalization, continuous changes have occurred in the business organizations, every organization is striving to gain competitive advantage through the development of Knowledge, skills and abilities in their employees. Organizations consider human capital as one of the most important asset, which is required to maintain sustainable competitive advantage. Organizations invest heavy budget on the training of their employees as it serves as a powerful tool for desired behavioral changes and outcomes required for their existence (Salas and Stagl, 2009). Human capital theory posits that education helps to improve existing KSA, which make employees more productive (Becker et al., 1964). Burke et al. (2006) defined training as systematic acquisition of knowledge, skills and attitudes that together lead to improved performance in a specific environment. Training is considered as leading opportunity for all employees to expand their knowledge. Organization can get benefits from training in term of employees outcomes i.e. job attitude and organizational outcomes, i.e. organizational performance (Tharenou et al., 2007). But training cannot produce positive outcomes unless and until newly learned skills are transferred to an actual job (Montesino, 2002). Blume et al.

(2010) has defined training transfer as the extent to which knowledge and skill acquired in a learning setting can be applied in the workplace, and maintained over time. Burke and Hutchins (2007) found that 10-40 percent of training usually transfers to the actual job. Kirkpatrick and Davis (1994) mentioned transfer of training as a key criterion for evaluation of training effectiveness. In Pakistan, State Bank of Pakistan (SBP) regulate the financial sector. It provides detailed guidelines for structural reforms to fulfill overall social and economic requirements. According to SBP annual performance review (2007), SBP undergoes restructuring of its human resource in order to improve standards for its services. In banking industry of Pakistan, Management development programs are an integral part of overall development plans of all banks of Pakistan (Dastgeer and ur Rehman, 2012).

Although abundant literature is available on perceived training utility, motivation to transfer and transfer of training, but no study is available that explored the relationship between perceived training utility, motivation to transfer and training transfer in one study. Our contribution to the literature of transfer of training is not only to explore the link between perceived training utility and transfer of training but also how and why motivation works as a bridge in this link.

## 2 Literature Review

Research has pointed three main predictors of transfer of training: employees characteristics, train-

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ing design and working environment (Baldwin and Ford, 1988; Burke and Hutchins, 2007; Lim and Johnson, 2002; March and Olsen, 1998; Schwab et al., 2010). In literature related to training, transfer of training has grabbed the attention of a great number of scholars and professionals. Kirkpatrick and Davis (1994) training four level models demonstrate that transfer of training helps employees and organizations to achieve their performance related goals.

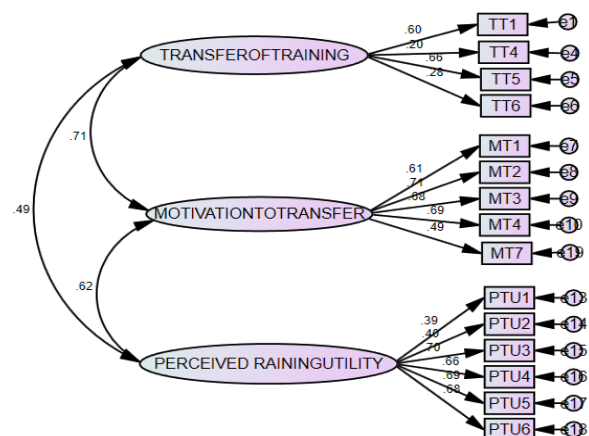
## 2.1 Relationship between Perceived Training Utility and Transfer of Training

Training plays a significant role in enhancing employee job performance which ultimately leads to organizational development. Training result in improved employee performance, however, training effectiveness depends on the participants perception. The perceived training utility is also an important predictor of transfer of training. The perceived utility is conducive due to the fact that if trainees do not understand the utility attached with particular training, then more chances that trainees will not take training as a useful activity to improve their job. Hence, less perceived utility will directly affect the employees job performance and vice versa. Going ahead, the trainees utility perception might change with time and working environment (Chiaburu and Lindsay, 2008). Organizational support theory posits that when employees feel that their efforts are not considered or valued by their organizations, then more likely they will not put serious effort for organizational benefits (Kontoghiorghe, 2001). Furthermore, Clark and Mils (1993), posit that perceived utility training is directly related to trainees perception about training effectiveness to their career or job utility. Clark and Mils (1993) defined Career utility as the perceived usefulness of training for attainment of career goals, such as getting a raise or promotion, or taking a more fulfilling job, whereas, Job utility was defined as the perceived usefulness of the training course to facilitate goals associated with the current job, such as increased productivity, reduced errors, or better problem-solving skills. Training utility is considered as an important element while studying transfer of training. Perceived training utility has a significant effect on transfer of training (Burke and Hutchins, 2007). Chiaburu and Lindsay (2008) established that perception of trainees about the utility of training mainly depend on the relationship between training and expected outcomes. Chiaburu and Lindsay (2008) conducted their research on the topic related to training transfer on employees of big organizations in the service sector of USA and observed a strong relationship between perceived training utility and transfer of training. Grossman and Salas (2011) also found linkage between training utility and motivation to transfer.

Expectancy model could be useful to understand the role of motivation in transfer of training (Baldwin and Ford, 1988). An individual put efforts when he expects positive outcomes, and if a person lacks in positive expectation, it would be least likely that he will put efforts for performance improvement (Vroom, 1964). The concept of perceived training utility can also be understood with the help of expectancy theory. Research has found that trainees with positive expectation from particular training were more motivated to apply their KSAs on actual work (Grossman and Salas, 2011).

## 2.2 Motivation to Transfer as a Mediator

Although there are certain factors that affect transfer of training such as job control (Gijbels et al., 2010), a feasible work climate (Harteis and Gruber, 2004) and interest (Lewalter and Scholta, 2009) but motivation is considered as most worthy element for training transfer as suggested by Latham and Locke (2007), as the time, money, and resources an organization devotes to ways of increasing a persons abilities are wasted to the extent that an employee chooses not to learn what is being taught, or chooses not to apply newly acquired knowledge and skills in the workplace(p. 3) Motivation to transfer is defined by Bates (2007) as the direction, intensity and persistence of effort towards utilizing in a work setting the skills and knowledge learned during the training program. Its a trainees desire to apply learned KSA on actual work (Noe and Schmitt, 1986) Research on motivation to transfer has gained popularity among the researchers in recent years (Segers and Gegenfurtner, 2013). Axtell et al. (1997) in their study found that transfer motivation has a strong influence on transfer of training for up to 1 year of duration after training. If Trainees perceive that their performance level will be improved by the using KSA which they will learn during the training program, they will put extra efforts to learn new skills and after learning, apply those skills on actual job.



On the basis of above literature the following hypotheses have been proposed:

*H1: Perceived training utility is positively related to motivation to transfer.*

*H2: Motivation to transfer is positively related to transfer of training.*

*H3: Perceived training utility is positively related to transfer of training.*

*H4: Motivation to transfer mediates the relationship between Perceived training utility and transfer of training.*

### 3 Theoretical Framework

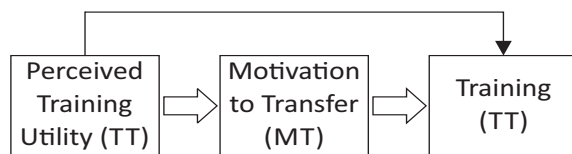


Figure 1: Theoretical Model

### 4 Methodology

The data of this study were collected from the employee of private banks in Pakistan. Judgmental non-probability sampling technique was employed to select the sample. The survey was personally administered by the researcher himself. Researcher had got approval from branch manager of every bank before distribution of questionnaires to specific branch staff in order to avoid any inconvenience during data collection. A brief description of the study was attached at the start of the questionnaire to describe the aim and background of the study. In addition, assurance of confidentiality was highlighted to the respondents. Sekaran and Bougie (2010) mentioned that this approach is useful to clarify the doubts of the respondents, which result in high response rate. Total about 300 questionnaires were circulated, but only 215(72%) were finally used for the analysis. All questionnaires were adopted from previous studies. Perceived training utility was adopted from Van Eerde et al. (2008) questionnaire containing six items, sample item, The time spent away from the job to attend training has been worthwhile. The value of Cronbach's Alpha was .756 for this variable. The Questionnaire of transfer of training was adopted from Xiao et al. (1996), containing six items, i.e. I can accomplish the tasks better by using the new knowledge acquired from the training course. The value of Cronbach's Alpha was .622 for this variable. The questionnaire of Motivation to transfer was adopted from

Holton et al. (1997), containing five items i.e., I am thinking about trying to use my new learning on my job. The value of Cronbach's Alpha was .767 for this variable. For all variable Five points Likert scale from strongly agree=5 to strongly disagree=1 was used to collect the responses.

The sample consists of 62.8% males and 37.2% females. Out of total respondents, 47.44% are married and 52.66% are Un-married. Most respondents have 14 years of education (B.Com/BA/B.Sc) with 51.6%, followed by 45.1% with an education of 16 years and above, while only 2.8% of the respondents have 12 years of education. Out of 215 respondents, total of 24.7% have age less than 25, while most of the respondents(63.7%) having ages between 25 to 35. Out of total sample, 38.6% have organizational tenure of 1 or less, 48.8% between 2 to 7 years, and 9.3% between 8 to 13 years, while only 1.9% with 14 or above organizational tenure. Out of total sample 20.5% have organizational tenure 1 or less, 25.6% between 2 to 7 years, and 24% between 8-13, while only 9.3% with 14 or above years job tenure. Out of total respondents, 57.7% were middle-level employees, 24.7% managerial level employees, while only 16.7% were lower level employees.

### 5 Results

#### 5.1 Confirmatory Factor Analysis

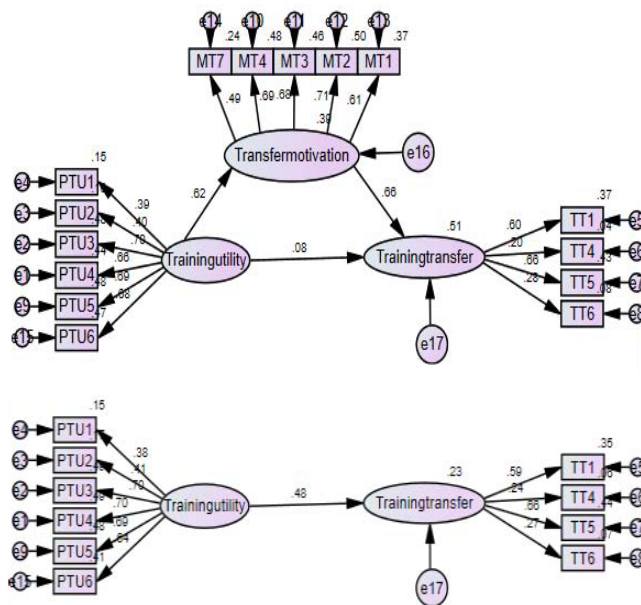
AMOS statistical software was employed to run confirmatory factor analysis (CFA) to verify the uniqueness of the variables. The figure given under table 1 presents the factor loading of the variables used in the study. All ill loaded items have been deleted. CFA revealed that perceived training utility was adequately measured with six items, motivation to transfer with five items, transfer of training with four items. The results of the CFA show that 2/df value 192.821 has a good fit with other indices GFI (.891), AGFI (.849), and CFI (.864) indicating good fit. The value of RMSEA is 0.075 which is considered as acceptable as its value is less than 0.08. (RMSEA) is 0.075 which is considered as acceptable as its value is less than 0.08.

#### 5.2 Correlation analysis

Table 2 shows the level of correlation which exists between the variables of the current study. Results show that all variables are highly correlated. Correlation analysis exhibits that highest correlation is present between perceived training utility and motivation to transfer ( $r = .506$ ,  $p < .01$ ), followed by correlation between motivation to transfer and transfer of training ( $r = .395$ ,  $p < .01$ ), and between perceived training utility and transfer of training ( $r = .267$ ,  $p < .05$ ).

### 5.3 Regression Analyses

Table 3 shows that perceived training utility has an estimated regression weight of 0.631 ( $p \leq 0.005$ ) on motivation to transfer. So our hypothesis H1 has been accepted, which indicates that perceived training utility has a positive impact on motivation to transfer. Motivation to transfer has an estimated regression weight of 0.529 ( $p \leq 0.01$ ) on transfer of training, leading to acceptance of hypothesis 2. Similarly, perceived training utility has an estimated regression weight of 0.361 ( $p \leq 0.01$ ) on transfer of training, so our hypothesis 3 has also been accepted, indicating that perceived training utility is positively associated with transfer of training. In order to check the mediating role of motivation to transfer between the relationship of perceived training utility and transfer of training, two models have been compared; first, without any mediating variable and then along with the mediating variable. Results show that when the model was run in presence of mediators, relationship between training utility and transfer of training became non-significant. This shows that motivation to transfer mediates the relationship between perceived training utility and transfer of training according to Baron and Kenny (1986). Hence hypothesis four has also been accepted.



## 6 Discussion

The purpose of the current study was to examine the linkage between perceived training utility and transfer of training through the mediation of motivation to transfer. The study consists of four hypotheses. The first hypothesis stated that Perceived training utility is positively related to motivation to transfer. Regression results show positive association between perceived training utility and transfer of training ( $\beta = 0.631$ ,  $p < .001$ ), which are consistent with the past studies (Alliger et al., 1997; Burke and Hutchins, 2007; Chiaburu and Lindsay, 2008). The hypothesis two stated that Motivation to transfer is positively related to transfer of training, results indicate a positive association between motivation to transfer and transfer of training ( $\beta = 0.529$ ,  $p < .001$ ) which is consistent with the past studies (Clark and Mils, 1993; Grossman and Salas, 2011). Similarly, hypothesis 3 tested that Perceived training utility is positively related to transfer of training. Regression analysis indicates a positive association between perceived training utility and transfer of training ( $\beta = 0.361$ ,  $p < .001$ ) which is also consistent with the past studies (Bhatti and Kaur, 2009; Kirwan and Birchall, 2006; Liebermann and Hoffmann, 2008; Nikandrou et al., 2009). For testing the hypothesis H4 which stated that Motivation to transfer mediates the relationship between Perceived training utility and transfer of training, Barron & Kenny (1986) mediation technique was employed by using AMOS software. Results indicated that motivation to transfer mediates the relationship between perceived training utility and transfer of training, therefore, leading to the acceptance of hypothesis four as well. This shows that employees perception about the benefits from a training program plays a key role in motivation to transfer which in turn increase transfer of training.

### 6.1 Implications and Recommendations

Training is considered as most suitable way to improve KSA of employees through their differentiation in the KSA of their human resource. But organizations can only get benefits from their training if trainees put their efforts to transfer learned skills on the actual job. The findings of the present study suggest that perceived training utility and motivation to transfer are the important predictors of transfer of training. The second major finding of the study is that Motivation to

Table 1: Index of fit of the Model

	Fit Measures							
	Chi-Square	DF	p value	CMIN/DF	GFI	CFI	AGFI	RMSEA
Values	192.821	87	0.000	2.216	0.891	0.864	0.849	0.075



Table 2: Descriptive statistics and inter-correlations for all study variables

Variables	Mean	Std. Deviation	PTU	MT	TT
Perceived training utility (PTU)	3.807	0.57155	1		
Motivation to transfer (MT)	3.9684	0.58878	.506**	1	
Transfer of training (TT)	3.6616	0.58384	.267*	.395**	1

\*\*\*Correlation is significant at .01 levels (two tailed) N: 215

\*\*Correlation is significant at .05 levels (two tailed)

Table 3: Hypotheses testing based on regression weights

Variables	Estimates	S.E.	Critical ratio	P value	Results
MT ← PTU	0.631	0.104	6.068	***	Accepted
TT ← MT	0.529	0.123	4.31	***	Accepted
TT ← PTU	0.361	0.095	3.957	***	Accepted
TT ← MT ← PTU	0.067	0.103	0.648	0.517	Full mediation

\*\*\* P value significant at .01

transfer mediates the relationship between perceived training utility. Therefore, to increase transfer of training, perceived training utility and motivation to transfer should be taken as important factors. The present study recommends policy maker of banking sector of Pakistan to understand the impact of perceived training utility on the motivation of employees related to transference of learned KSA on an actual job. This study concluded that perception about the benefits attached to a particular training has significant impact on the motivation to transfer and transfer of training. So employees should be communicated well, on how particular training will be beneficial for their job performance and long term career growth.

## 6.2 Future Directions

Firstly, the current study only examined the temporal effect of perceived utility on transfer training however, the future studies should examine how perceived utility changes with time. Secondly, the current study takes the banking sector as a contextual setting. Future study may use various other organizational settings to increase the generalizability of the findings. Thirdly, this study used a cross-sectional survey to test the hypotheses of the study. However, future researchers may use a longitudinal technique, also, mixed methodology may be used. Lastly, this study took motivation as one variable; researchers may test different dimensions of motivation to transfer as suggested by (Gegenfurtner and Hagenauer, 2013). Also, organizational support can be incorporated to evaluate its mediating effect in

the relationship.

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