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IMPACT OF TRAINING & DEVELOPMENT AND COMPETENCIES ON EMPLOYEES' SWITCHING INTENTIONS: THE MODERATING EFFECT OF PSYCHOLOGICAL OWNERSHIP

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ABSTRACT:

In this study we try to explore the role of training and development programs in increasing the employees' competencies and ultimately their intentions to leave. Additionally, we also explore the moderating role of psychological ownership between the employees' competencies and intentions to leave the organizations. We select banking sector for data collection and use convenience sampling to collect data from respondents. Out of a total sample size of 88, we get useable responses from 59 respondents. Gender distribution of males and females in the sample is 67:12 respectively. We use correlation matrix and regression analysis to analyze the relationship between different variables. The results of the study reveal that training and development activities increase the employees' intentions to leave the organization if it has a weak system to retain its employees. Furthermore, employees with higher levels of psychological ownership may stay for longer periods with the organizations. The results of current study also suggest that organizations need to assess the employees' morale and satisfaction level on regular basis. By evaluating the satisfaction levels of employees on regular basis, organizations can avoid the cost of losing trained employees which ultimately can be helpful in improving the performance in long run.

Keywords: Training and Development; Personal Competencies; Switching Intentions; Psychological Ownership.

1. INTRODUCTION:

Effective training and development programs in an organization contribute in the form of enhancement of employees' skills which in result enable them to respond to the rapid changes taking place in the external environment of the organization [1]. A drastic situation occurs in an organization when a trained employee leaves the organization to join another organization. Prior research reveals that employees' intention to leave, either voluntary or involuntarily, effects the organizations in multiple ways [2]. Higher level of turnover rates are directly related with the higher levels of



recruitment and training costs and lower levels of employee morale, job satisfaction and customers perceptions of service quality, [3] ultimately effecting the organizational performance. Most of the previous research papers have focused on the role of training and development programs in improving the employees' skills, overlooking the possible effect of training and development on the intentions of an employee to leave the organization if it has a weak system to retain its employees [4].

This study will attempt to extend the body of knowledge in the following ways. Firstly, this study will explore the role of training and development programs in improving the skills of employees. Secondly, this study will try to explore how the increase in employees' skills, resulting from training and development programs, influences their intentions to quit the organization if it has a weak system for retaining its employees. Thirdly, this study will explore the role of psychological ownership, as barrier to leave the organization in the face of a better opportunity available elsewhere, in retention of the employees. Literature on Human Resource Management reveals that Training and development is a very important function to achieve a sustainable competitive advantage. Organizations spend millions of dollars on training and development programs to make their employees a source of competitive advantage [1, 5]. The main objectives of these training and development activities are to equip the employees with skills, knowledge and abilities required to improve the organizational performance [1,6] as well as to enable them to "*acquire and apply knowledge*" to respond the dynamic challenges of modern world effectively [7].

According to Human Capital Theory, an organizations' decision to invest in training and development activities of employees is considered to be part of its resource optimizing strategy and purports that resource optimization is not possible without employees' skills enhancement as it boosts their tendency to search for better opportunities elsewhere [8]. The theory also states that those organizations which continuously initiate training and development programs for the improvement of employees' skills, knowledge and abilities can face higher rate of turnover which can be a barrier for an organization in gaining a sustainable competitive advantage. Thus, the changing behaviors of employees have also changed the traditional role of HR department in the organizations. Following the theory of social exchange given by Blau, P. [9], HR practices are designed keeping in view the strategic needs of an organization and considering the employees as a valuable source of competitive advantage [10].

Theory of social exchange suggests that an individual decision to enter or exit an organization depends up on several factors. These factors constitute perceived benefits, satisfaction with outcome and alternative attractiveness. For a sustainable competitive advantage it is indeed very important for an organization to listen and continuously review the satisfaction level of employees. Only training and development activities are not enough to resist the employees from switching [4]. Many researchers have also highlighted the role psychological ownership (i.e., the possessive feeling that some object is 'MINE' or 'OURS') in changing the employees attitude and increasing the organizational commitment [11].

Following the above context, the current study will seek to explore the role of training and development programs in increasing the employees competencies and ultimately on their intentions to leave. Additionally, the study will explore the moderating role of psychological ownership between the employee's competencies and intentions to leave the organization. Higher level of psychological ownership may help an organization reduce the employee turnover in the organization. The rest of the paper is organized as follow. Section 2 presents the related literature review to support the conceptual framework and develop hypothesis related to the study. Section 3 presents the details about the methodology used to answer the research question of the study as well as results of the analyses done by using the appropriate statistical tests. Section 4 discusses the results while section 5 concludes by presenting the limitations of the study and suggesting future research directions.



2. LITERATURE REVIEW:

In this section, we present literature related to impact of training and development and personnel competencies of employees on switching intentions with moderating effect of psychological ownership.

2.1. Training and Development efforts and Employees' Competencies:

Tsai and Tai [12] report that training and development practices constitute one of the most vital approaches to help employees in gaining new knowledge, skills and competencies required to meet competitive standards. As acquiring knowledge and skills has turned out to be very important for organizations, appropriate training and development practices are considered essential both for an employee's career growth and an organization's success [13]. Today one of the most critical challenges facing organizations is to motivate the employees to achieve organizational goals. According to Ferris *et al.* [14], the organization's human resources are vital to an organization's success. Indeed, one of the most significant functions of human resource practice is development of employees.

Furthermore, current research suggests that human resource practices with high commitment, for instance human capital development, affect organizational outcomes by shaping employees' behaviors and attitudes [15, 16]. Benson *et al.* [17] suggested that investing in employee development may contribute to the increased market value of employee and hence increased turnover. Especially investment made in general skills training equally increases the productivity of employees in organizations other than the incumbent firm [18]. A study by Gutteridge *et al.* [19] provided contrary perspective on this important issue. He argued that most of the time organizations put efforts to develop human capital in order to enhance employees' skills, morale and retention in the organization.

2.2. Training and Development Efforts and Employees' Switching Intentions:

Most studies approach the effect of training on employees' turnover issue from the viewpoint of human capital theory. Human capital theory states that investment in training and development contributes to an increase in employee productivity. As the major initiator of human capital theory, Becker [18] distinguishes between two types of training: specific and general. He further explained that specific training involves the attainment of competencies that can hardly be transferred to other organizations. As a result it only enhances employee productivity within the organization. Owners are able to get back the entire cost back in the form of benefits, but nonetheless face the risk of employee turnover. Hence contribution from both employee and employers for this type of training will reduce turnover intentions [17, 20].

On the other hand, general training, however, generates qualifications and competencies that are of equal value to other organizations as well. As a result, employees' turnover increases as employees can easily be poached by other organizations [21]. Even though most researchers, studying training & development and employees turnover, either don't distinguish between specific and general training or focus just on organization-specific training [24], a small number of empirical researchers studying human capital demonstrate that as a result of general training participation employees' turnover increases [17, 20].

Consistent with this perspective, Pedler *et al.*, [23] and Senge, [24] argued that training and development assists workers to be acquainted with the existing as well as acquire fresh capabilities that will allow them to get promotion at higher positions, either inside or outside the organizations. In addition, enhancement of talents and capabilities refers to developing human capital by selecting employees with greater ability and enhancing knowledge and skills through the provision of learning and training opportunities. Furthermore, organizations which train their employees rigorously generate higher turnover mainly because trained employees leave the organization for better paid jobs where they can use skills they have acquired. Indeed, training and development activities increase the value of the employees and enhance their career growth, and this increases the probability of their being "poached" by competitor organizations. Similarly, McConnell [25] stressed that effective training and skills development programs have measurable impact on turnover.



2.3. Employees' Competencies and their Switching Intentions:

The most important rationale of retention is to prevent the loss of talented and competent employees from leaving the organization as this could have negative effects on productivity as well as profitability [26]. According to Chaminade, [27], employees' retention policy is a voluntary act from an organization to create a positive and healthy work environment which ultimately engages employees' for a long period. Nevertheless, instilling retention practices have become a daunting and highly challenging task for Human Resources (HR) practitioners and managers in a hostile economic environment.

Unquestionably, turnover incurs a significant amount of costs to the organization. Cost of turnover includes but is not limited to costs related to reselection, retraining, opportunity costs and decreased level of morale of the left over employees. Especially, when an organization loses valuable employees then these costs would become even more serious. According to Bedeian et al. [28], intent to leave has been recognized as the final cognitive variable having an immediate causal effect on turnover. In addition, actual turnover is expected to increase as the intention increases [29,-30]. These research findings provide considerable support for the importance of intent to leave in investigating an individual's turnover behavior.

Human capital theory advocates that instruction or training enhances the productivity of employees by communicating valuable knowledge and skills, consequently raising employees' future income by increasing their lifetime earnings [8]. According to Kalleberge and Rognes [31], there is positive relationship between investment in employees' development activities and turnover intentions. As the notion of investment in development activities of employees signifies equipping employees with new skills and knowledge, it can certainly enable employees to look forward to and be ready for requirements of new job [32].

2.4. Enhancement in Employees' Competencies as a Mediator:

From the previous few decades, turnover continues to be a topic of interest among management researchers [33]. Perceived job alternatives refer to workers' belief that they can find a better job in another organization. As soon as, employees have several employment choices, they will express lower levels of commitment and, as a result higher levels of turnover intention [34]. Several factors have been identified to elucidate the reason employees leave one organization for another, or in a number of situations, leave the country. Many past researchers for instance Abassi and Hollman [35]; Hewitt Associates [36]; Sherman et al. [37] reported various reasons as management style, hiring practices, lack of recognition, toxic workplace environment and lack of competitive compensation system. While some researchers identified lack of job security, lack of interesting work, inadequate training and development opportunities and lack of promotion.

However, there is another perspective concerning employees' switching intention from an organization. Like, Tanova and Holtom [38] argued that one possible reason that a high rate of voluntary turnover is alarming for many organizations is the fear that the employees with better skill, expertise and abilities will be those who can leave because of many alternatives available in the industry whereas those who remain will be those who do not have any other job opportunity in the industry. Regarding this issue, Hwang & Kuo [34] found that in context of public sector organizations perceived alternative job opportunities are significantly and positively correlated with turnover intention.

Following Becker's Human Capital perspective [8] states that investment in employees training and development activities is the result of optimizing decisions made both by the employees and the owners of the organization. The increased knowledge, talent and competencies resulting from investment in human capital activities made by owners will actually enable workers to extract higher salaries from their present or prospective owners. Similarly, Lambert *et al.*, [39]



discovered that perceived availability of alternate jobs had a positive correlation with turnover intentions of the employees.

2.5. Psychological Ownership as a Moderating variable:

The psychological aspects of ownership have been explored by various disciplines, for instance philosophy, marketing, anthropology, psychology, and business management [40]. Psychological ownership has been studied in a number of perspectives, together with consumer behavior [41], child development [42] and organizational behavior [43]. Different researchers argue that possession is a fundamental human concern. Besides, nonetheless, past research focuses mainly on ownership of physical objects for example houses, toys and stamps. Though the theoretical in addition to empirical literatures propose that humans develop feelings of ownership toward non-physical entities such as words, ideas and artistic creations [42], until now, employees psychological ownership towards organization has not been thoroughly studied within the context of developing countries.

Pierce *et al.* [44] defined psychological ownership “*as that state in which an individual feels as though the target of ownership (or a piece of that target) is theirs*”. In addition, psychological ownership signifies a bonding such that organizational members feel a sense of possessiveness toward the target of ownership although no officially permitted claim exists. This sense of ownership manifests itself in the connotation and sentiments linked with choice of words that mean possessiveness such as “my job” or “our organization.” Several research findings together theoretical as well as empirical have proved a positive association between psychological ownership along with organizational commitment. Similarly, researchers like Florkowski [45] and Pierce *et al.* [46] argued that organizational commitment is a consequence of psychological ownership. In order to back this argument, many empirical findings have supported these propositions. For instance, in several samples Van Dyne and Pierce [11] reported that psychological ownership was a significant predictor of organizational commitment. Similarly, research findings of Vandewalle *et al.* [47] showed a significant positive relationship between organization-based psychological ownership and organizational commitment.

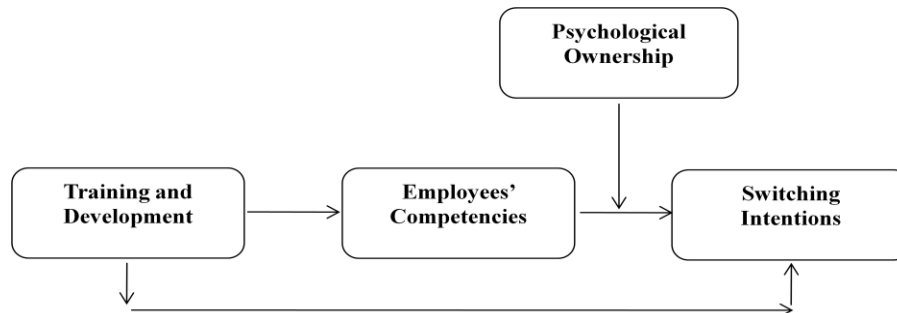
According to Druskat and Pescosolido [48], a reduction in team psychological ownership was related to reduce levels of organizational commitment. In others words Druskat and Pescosolido [48] obtained indirect support for this relationship. In addition, several researchers’ [48-52] have linked formal employee ownership plans with the increased commitment and loyalty of organizational members. Some researchers including Pierce, Rubenfeld & Morgan [46] and Pierce, Van Dyne & Cummings [44] have assumed that in spite of the organizational member’s financial ownership and in spite of the member’s legal status as an owner or non-owner, psychological ownership has positive outcomes.

As noted by O’Reilly [53]: “*when managers talk about ownership, what they in general want to inculcate is not monetary ownership but psychological ownership—a feeling on the part of the employees that they have a responsibility to make decisions that are in the long term interest of the company.*” More specifically, psychological ownership has been expressed as a cognitive construct defined as, “*the state in which individuals feel as though the target of ownership or a piece of that target is theirs,*” and reflects “*an individual’s awareness, thoughts, and beliefs regarding the target of ownership*” [54]. A number of researchers have found that investment in human resource development efforts affects employees’ behavior and attitude [55-57].

Furthermore, organizational investments in training its workers contribute to the creation of positive perceptions in organization’s employees’ willingness to support their development [21]. According to Blau [9] and Eisenberger *et al.*, [58], these perceptions are related to the psychological contract and also mention in the context of social exchange theory. Blau [9] reported that when employees feel ownership in an organization, they will be likely to engage in helpful behaviors driven by the sense of responsibility accompanying feelings of ownership. The transactional relationship between organization and its employees is such that the organization fulfills the requirements of applicants who in turn give back by developing and maintaining feelings of ownership and a corresponding sense of responsibility.



2.6. Theoretical Model:



2.7. Research Hypotheses:

The main objective of current study was to answer the two basic research questions given below:

- Do the training and development activities help the organizational employees improve their competencies and ultimately induce their intentions to leave the organization?
- Does the psychological ownership help reduce the employees' intentions to leave the organization even if he had a better opportunity available?

To address the above mentioned research questions we develop following hypotheses.

H1: Training and development efforts are positively related with employees' competencies.

H2: Training and development efforts are positively related with employees' switching intentions'.

H3: Employees' competencies are positively related with employees' switching intentions.

H4: Enhancement in employees' competencies will mediate the relationship between training and development efforts and employees' switching intentions.

H5: Psychological ownership will play a moderating role between employees' competencies and switching intentions.

3. METHODOLOGY:

The current research attempts to investigate the relationship between training and development activities and employees intentions to quit job. Additionally, we have also tried to explore the moderating role of psychological ownership between the skill enhancement and intentions to quit job. The understanding of this relationship is necessary to help HR managers formulate planning regarding the training and development activities. Finally, this research will enable the HR managers acquire a strategic control over the training and development activities in their organizations to achieve the sustainable competitive advantage in the larger environment.

The current research falls in the category of descriptive research. The data related to training and development activities is obtained from previous research. The research questions are constructed on the basis of literature review presented in previous section. Different quantitative methods are employed to analyze the hypotheses presented in the above section. The previous research indicates that quantitative techniques are used when data is available in numeric form. On the other hand qualitative techniques are used when data is presented in non-numeric form as in the form of pictures or words [59, 60]. In quantitative research many research tools are used to check the statistical significance of the causal relationship between the variables according to the hypotheses. The direction of the relationships in these models is described in the hypotheses of the study which are derived from the literature review.

The quantitative data can be collected by using different techniques which constitutes experiments, content analysis, surveys and so on. Each technique has its own potential strengths and weaknesses. Keeping in view the previous researches which are conducted from training and development perspective; we have utilized the survey method for data



collection. This technique can be used for both qualitative and quantitative data. It also benefits the researchers to save cost, access the target populations, collect standardized data on a large scale, tabulate data easily and analyze the data effectively.

3.1. Empirical specification:

In order to collect responses from respondents and to test the research hypotheses, the researchers chose self-administered questionnaires as a data collection tool. This follows earlier papers studying questions about training and development background. The benefits of this technique include lower costs and minimal interference of researcher [61]. The researchers' minimal interference reduces the response bias by the respondent. This technique allows the respondents to take their time to complete the questionnaire which reduces the interference of researcher.

3.2. Study and questionnaire design:

In order to collect the required data to analyze the research questions, the researchers develop study questionnaire under the guidelines provided by previous authors and researchers to take care of different problems associated with these methods. Firstly, the researchers design the study questionnaire according to the target group. The study questionnaire was designed in a simple, proper and comprehensible language, i.e. in English, keeping in mind the guidelines provided by different authors in previous studies. Most of the researchers prefer to use those questionnaires which have already been used and validated by other researchers. Similarly, number, line spacing, length and sequence of questions were also taken in to consideration while formulating the study questionnaire [62].

3.3. Data Collection and Target population:

Special nature of hypotheses related to investigation of the role of training and development activities in increasing the employee's intentions to quit their jobs, selection of proper industry was very important. In this regard, the researchers decided to select the banking sector to draw the sample for study. The reason for the choice of banking sector was that in this sector training and development activities take place very intensively while job mobility in this sector is also very high. The researchers selected a single industry based up on the fact that collecting data from multiple sectors can make increase the noise in the analysis results due to differences in strategies in different industries [63]. The data was collected from different banks situated in Islamabad, Rawalpindi, Wah Cantt and Taxila. Due to time and cost constraints, the researchers used convenience sampling technique. The researchers distributed eighty five question papers and got back 69 in total. Among the respondents, the ratio of male to females was 57 to 12. The mean age of the respondents was found 25 years. The mean experience of employees in their organizations was 3 years. Education level of most of the respondents was either bachelor or master.

3.4. Measures:

The researchers used all measures for the constructs from previous studies, which were carried out from strategic human resource management perspective due to established reliability and validity.

In order to measure the training and development activities in an organization, nine items were adapted from the study of Lee and Bruvold [21]. Similarly, to measure the perception of employees regarding the effectiveness of training and development programs in enhancing their skills, four items scale was developed based upon the study of Mireku and Hurtz [64]. In order to measure the employee's intentions to leave the organization, three items scale was adapted from the study of Laudau and Hammwe [65]. To measure the moderating role of psychological ownership, seven items scale was adapted from the study of Van Dyne and Pierce [11]. Five point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) was used to measure the extent to which respondents agree or disagree with each statement given in the questionnaire.



3.5. RESULTS AND ANALYSIS:

The researchers used correlation and regression to analyze the relationship between different variables. The results of the correlation matrix can be found in Table-I.

	Constructs	Mean	Std. Dev	1	2	3	4
1	T&D	3.16	0.92	1	.37*	.31*	.25*
2	EC	3.38	0.81	-	1	.26*	.18
3	IL	3.29	1.03	-	-	1	.31*
4	PO	3.48	0.80	-	-	-	1

Notes: n = 59 "*" indicates that Correlation is significant at the 0.05 level (2-tailed).
T&D stands for Training & Development; EC stand for Employee Competencies; IL stand for Intentions to leave; PO stand for Psychological Ownership

Table- I indicates that there exist a positive and significant relationship between the Training and Development and Employees' intentions to leave the organization ($r=.31$, $p<.05$). Similarly, there exist a positive and significant relationship between Training and Development and employees' competencies ($r=.37$, $P<.05$). Additionally, there also exists a positive and significant relationship between employees' competencies and intentions to leave ($r=.26$, $p<.05$). Finally there is a positive and significant relationship between the Training and Development and psychological ownership ($r=.25$, $p<.05$).

3.6. Regression Analysis:

We used regression analysis to measure the variation in dependent variable related to different independent variables controlling for effect of other correlated variables. The results of regression analysis are illustrated for each of the five hypothesis developed on the basis of literature review. The results of regression analysis for hypothesis number 1, 2 and 3 can be found in the following Table-II.

Hypotheses	Description	(β)	t- value	p- value
H:1	T&D \longrightarrow EC	0.36	2.98	0.01
H:2	T&D \longrightarrow IL	0.31	3.39	0.00
H:3	EC \longrightarrow IL	0.19	2.84	0.03

Notes: n = 59, Arrow indicates the direction of impact

The results in Table- II indicates that 36% variation in employee competencies is explained by independent variable i.e. Training and Development activities ($\beta=36\%$, $t=2.98$, $p<.05$). Hence H-1 is accepted.

Similarly results in Table- II indicates that that 31% variation in dependent variable i.e. employees intentions to leave is explained by independent variable i.e. Training and Development activities ($\beta=31\%$, $t=3.39$, $p<.05$). Hence H-2 is accepted.

Regarding H-3, the results in Table- II indicates that 19% variation in dependent variable i.e. employees intentions to leave is explained by enhancement in employee competencies ($\beta=19\%$, $t=2.84$, $p<.05$). Hence H-3 is accepted.



3.7. Mediating Role of Employee Competencies:

In order to test the hypothesis related to mediating role of employee competencies, three step procedure recommended by the Baron and Kenny [66] was followed. In step 01, the mediator, Employee Competencies, was regressed by the independent variable i.e. Training and Development. Results in Table- III indicates that Training and Development (independent variable) positively impacts the Employee Competencies (mediator) as we have significant coefficient values; $\beta = 0.36$ ($t = 4.84, p < .05$). In step 02, Intention to leave (dependent variable) was regressed against the Employee Competencies (mediator). Results in Table-III indicate that Employee Competencies (mediator) positively impact the Employee’s Intention to Leave (Dependent variable) at $\beta = 0.19$ ($t = 2.84, p < .05$). In step 03, Employees’ Intentions to leave (dependent variable) was also regressed by Training and Development (independent variable).

Results in Table-III indicate that Training and Development (independent variable) positively impacts the Employees’ Intentions to leave (Dependent variable) as we have significant coefficient values with $\beta = 0.31$ ($t = 3.39, p < .05$). Results in Table-III indicate that mediating role of employee competencies disappeared when dependent variable (Intentions to leave) was regressed by both independent variable and mediating variable. Although the impact of independent variable on dependent variable reduced from .31 to .25 but the impact of mediator on dependent variable became insignificant. This is the violation of mediating role of employee competencies. To prove mediation the impact of mediator should remain significant when control for the effect of independent variable on the dependent variable.

Table- III. Mediating role of Employee Competencies

Steps	Description	B	t-value	p-value
Step 01	T&D → EC	0.36	2.98	0.01
Step 02	T&D → IL	0.31	3.39	0.00
Step 03	EC → IL	0.19	2.84	0.03
Step 04	T&D * EC → IL	0.25	1.87	0.03
		0.10	.690	0.493

Notes: n = 59, Arrow indicates the direction of impact.

3.8. Moderating Role of Psychological Ownership:

In order to explore the moderating role of psychological ownership between the employee competencies and intentions to leave the organization, hierarchical regression analysis was used. The results in Table-IV indicates that 6% variance in employees’ intentions to leave is explained by the employee competencies ($p < .05$). Similarly at step 2, 17% variance was explained by the psychological ownership ($p < .05$). The additional 6% variance in dependent variable (intentions to leave) was explained by the interaction term ($p < .05$) which proves the moderating role of psychological ownership.

Table-IV. Moderating Role of Psychological Ownership

Steps	Variable(s)	Beta	Change in R ²
Step 01	EC	.263*	.06*
Step 02	PO	.463*	.17*
Step 03	EC * PO	1.91*	.06*

Notes: Dependent Variable: Intentions to leave; n = 59 * P < .05.



4. DISCUSSIONS:

There were two main objectives of this research study. First objective was to explore the role of training and development programs in increasing the employees competencies and ultimately on their intentions to leave. Second objective was to establish the moderating role of psychological ownership between the employees' competencies and intentions to leave. All the established research hypothesized relationships except **H4** were confirmed as mentioned in this study.

The researchers argue that ultimate aim of training and development activities is to enhance the employees' skills either technical or personal, so that they can remain updated to respond to the rapid changes taking place in the environment of the organization. Organizations spend millions of dollars in the training and development activities so that organizational performance can be improved by increasing the productivity of their employees. Another objective of investment in human capital development is that it creates conditions where employees of any organization believe that organizations value their efforts as well as care about employability.

Moreover, the researchers suggest that the effect of these training and development activities should be evaluated on employee's subsequent attitudes and behaviors [21]. Our study provides evidence that although training and development activities are crucial to enhance the employee competencies but these competencies can be a source of increased intentions to leave the organization if it has a weak system to retain the employees. An intention to leave is the cognitive stage after which the probability that an employee will leave the organization will become very high [28].

Many organizations face higher levels of employee turnover although they continuously spend on training and development activities of their employees. The reason is that when an organization has a weak system of retaining their employees, the trained employees can be poached by the rival firms easily. An employee's intention to leave the organization might be due to work environment, work load, salary package, distributive issues, procedural issues, lack of job security or lesser chances of promotion but losing a trained employee can cost an organization in multiple ways like increased recruitment, selections and training cost. Similarly, an outgoing employee can take away many clients due to the relationships with them in his previous organization. Moreover, a trained employee can share business secrets and transfer acquired knowledge to rival firms, creating a threat for the parent organization. Additionally, some organizations prefer to attract those candidates which already possess the skills and competencies to perform their duties in a new organization keeping in view the high cost of training and development. These organizations turn out to be predators of the trained employees in their rival organizations.

The finding of current study highlights the need of extended role of HR department in an organization. The HR department needs to re-evaluate the satisfaction level of employees after specific time intervals so that necessary actions can be taken on regular basis to boost up the employees morale and motivation. The results of our study also prove the moderating role of psychological ownership which indicates that an organization should keep an eye on the employees with higher levels of psychological ownership. These employees can go for extra miles for the organizations in becoming a source of sustainable competitive advantage. An organization must identify and equip these employees with training and development activities to enhance the organizational performance.

5. CONCLUSION:

Training and development activities play a crucial role in providing a sustainable competitive advantage to organization by enhancing the employee's competencies. These training and development activities may not prove to be helpful for organizations in enhancing the employee's organizational loyalty or commitment. An organization can face severe problems when there exist a higher level turnover rate among the trained employees due to a weak system of retaining its employees. The current study is an attempt to extend the existing body of knowledge by investigating the impact of training and development activities in enhancing the employees' competencies and ultimately on employees intentions to



leave the organization. Furthermore, in this study we have also explored the role of psychological ownership which can be helpful for organizations to reduce the employee's intentions to leave the organization. The results of current study reveal that training and development activities, although very important to enhance the employees' competencies, increase the employees' intentions to leave the organization if an organization has a weak system to retain its employees. Furthermore employees with higher levels of psychological ownership may stay with the organizations for longer period. The results of current study also highlight a greater need for organizations to assess the employees' morale and satisfaction level on regular basis. By evaluating the satisfaction levels of employees on regular basis, organizations can avoid the cost of losing trained employees which ultimately can be helpful in improving the performance in long run.

5.1. Limitations and Future Research Directions:

There were several limitations which were taken in to consideration while analyzing the conceptual model of the study empirically. The data was collected from banks which are situated in Rawalpindi, Islamabad, Wah Cantt and Taxila by using the convenience sampling technique due to time and budget constraints. Furthermore, the sample size was relatively small. To enhance the generality of our results, the current research may be replicated with a larger the sample size and data collected from other cities/ provinces. Secondly, the generality of results can also be enhanced by considering other industries in service sector like Airline, Insurance, and Telecom sector. Thirdly, future research is needed to explore more complex models, by including other moderating and mediating variables, to provide more practical implication for HR managers about the effectiveness of training and development programs in relation with the retaining the employees. Fourthly, future research is needed to identify the antecedents of psychological ownership which can help reduce the turnover intentions in employees even if they are offered a better opportunity in another organization.

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